



**COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF HUMAN SERVICES**

**March 6, 2024**

**Testimony of Secretary Valerie A. Arkoosh  
Department of Human Services  
House Appropriations Committee Budget Hearing**

Chairman Harris, Chairman Grove, and members of the House Appropriations Committee, thank you for the opportunity to discuss Governor Josh Shapiro's proposed fiscal year 2024-25 budget for the Pennsylvania Department of Human Services (DHS).

DHS exists to help Pennsylvanians live healthy, safe, and fulfilling lives. This agency and our work are necessary, but our mission of achieving these goals is not something we can accomplish on our own. Each of us can attribute our health, successes, and ability to pursue our goals in part to the people who help us along our journey. Like us, Pennsylvanians in all communities, counties, and corners of our Commonwealth will likely, at some point, require some level of support, assistance, or protection. Every day, DHS and our partners work to provide Pennsylvanians with the support, assistance, and protection they need. This essential work and the programs we administer and directly oversee significantly impacts millions of lives every day. Our department currently serves more than 3.5 million Pennsylvanians directly through programs that provide access to life-sustaining health care, food assistance, safe housing, and supportive services that help them live independently. Beyond this, DHS' responsibility and commitment to Pennsylvania extends through protective services for vulnerable people, licensing, program integrity and oversight, and quality assurance. This aspect of our work has the opportunity to reach countless others – affecting essentially any Pennsylvanian at some point in their life's journey through early learning and childcare, health care licensing and monitoring, protective services, and long-term care.

Our programs help Pennsylvanians build the kind of lives they deserve for themselves and their families. By recognizing that people in difficult situations may face different barriers to getting ahead or even just getting by, we aspire to end intergenerational cycles of poverty and divestment in underserved communities by investing in person-centered, outcomes-driven support. We work every day to help people have the stability and support necessary to pursue educational, vocational, and professional goals – investing in their future and creating opportunities that help more people achieve *sustainable* economic stability and be a part of a vibrant economy. However, accomplishing this mission requires collaboration. DHS must work alongside private and local partners, ensuring our efforts are cohesive and impactful. Our work helps to ensure Pennsylvanians of all ages, in all counties, in any circumstance, receive the best care and are treated with dignity – something we all deserve.

I believe that DHS and the programs that we operate, oversee, and support should be a bridge to success for the Pennsylvanians we serve. It's essential to understand that while employment is a critical component of this success, it should not be regarded as the only goal. Our experience has shown that achieving true success requires more than just securing a job. For individuals to sustain employment and truly thrive, a comprehensive support system is imperative. This includes not only good physical and behavioral health, but also the recognition of each individual's unique needs, the ability to pursue education or training, a social support system, a safe home and neighborhood, reliable and accessible transportation, wages that help people live without needing public assistance, and so much more. Without considering each of these, people may move in and out of programs and supports, unable to make a meaningful difference or lasting change in their lives.

Our communities are only as strong as their most vulnerable members. We all want a vibrant, economically thriving Commonwealth, and that can be possible when we actively look for ways to overcome barriers, rather than create them. Bridges to Success – my guiding vision as Secretary of Human Services – represents an investment in the resilience and potential inherent in all of us. It is an investment in a better future and opportunity for *all* people.

As the Governor said in his budget address last month, the time to invest is now. Governor Shapiro's proposed budget invests in DHS' everyday responsibilities to Pennsylvania and its residents while also recognizing the opportunities possible when we invest in our future. We cannot afford just to continue as is – investments in our services, workforce, and the people we serve are essential to preserve the health and integrity of these systems. These investments will ensure that we can continue to meet our population's current needs and those on the horizon. The proposed budget is an investment that will strengthen Pennsylvania today and for our future – making our Commonwealth a place where people are eager to live, work, learn, invest and grow.

The 2024-25 Budget calls on Pennsylvania to address our stagnant minimum wage. The state last took independent action to increase its minimum wage in 2006, when it was tied to the federal minimum wage, which was last adjusted to \$7.25 in 2009. Fifteen years later, Pennsylvania is lagging behind every

*From September 2023-January 1, 2024, 23 states increased their minimum wages including Delaware, Florida, Maryland, Missouri, New Jersey, New York, and Ohio,*

neighboring state and most of the country. More than 911,000 workers in Pennsylvania stand to benefit from a minimum wage increase to \$15 an hour, and data from the Department of Labor and Industry shows that more than 76 percent of these workers are aged 20-65 and over. This report also shows that women are nearly three times more likely than men to work at or below minimum wage jobs. A person working full-time at a \$7.25 wage, meets the

federal guidelines for poverty. If this individual has children, the barriers and costs of poverty only continue to grow. DHS anticipates an impact of \$5.4 million on the Child Care Assistance and Child Care Services appropriations, which will help working families with young children be able to work and afford the cost of childcare. Pennsylvania cannot afford to continue to fall behind and remain an attractive state for people to live and work. Investments in our minimum wage are investments in the value the lower earning roles like our caring infrastructure play in our broader economy, our

*Seven of the top ten employers who employ Medicaid recipients in PA are retail or convenience stores, which employ almost 24,000 people at wages that qualify them for Medicaid.*

ability to competitively attract and retain a skilled workforce, and, most importantly, the basic dignity and value of every worker and person in our Commonwealth.

### **Supporting Vulnerable Pennsylvanians**

Protecting and advocating for vulnerable Pennsylvanians are the cornerstones of DHS' responsibility. We must work to strengthen our system to better serve the Pennsylvanians who need the care, services, and supports we administer.

Pennsylvanians with intellectual disabilities and autism (ID/A) and their families deserve the resources and freedom they need to live everyday lives – where they have the support and independence to stay in their communities with loved ones, find jobs they enjoy, and achieve their personal goals. Accessing the right services at the right time is necessary to make this vision a reality, but currently, that is not a given in Pennsylvania. While we have made progress in reducing our waiting list, it is still common for people to wait years to be enrolled in home and community-based services. It is time to make a change, to achieve the vision for everyday lives and the opportunity it presents to Pennsylvanians with intellectual disabilities and autism.

Governor Shapiro has directed DHS to begin a multi-year program growth strategy for waivers overseen by the Office of Developmental Programs (ODP). To achieve this, ODP is altering the management of waiver program capacity from designated slots to a budget-based management that will give counties the flexibility to manage waiver capacity more efficiently and serve more people. Additionally, we are seeking to invest \$36.1 million of state funds, which leverages federal funds for a total of \$78 million, to expand the Community Living Waiver by 1,250 individuals and the Consolidated Waiver by 250 individuals. To help support this shift, we are seeking to invest \$217 million of state funds, which allows us to draw additional federal funding for a total of \$483 million, to invest in rates paid to providers of intellectual disability and autism services who help make our vision for everyday lives a reality by working in service to the ID/A population. Their work allows countless families and caregivers to live with the peace of mind that their loved one is safe and has the care they deserve, and their work is an investment in dignity and opportunity for this community. We are also seeking \$934,000 of state funds, which federalizes to \$2.1 million, to add sign language interpretation as a billable service in ODP's waiver programs. The proposed investments in the 2024-25 Budget, as well as a shift in the management of ID/A program capacity, will support DHS' work by easing common barriers to services and ensuring more Pennsylvanians pursue their goals, stay in their communities, and live a fulfilling, everyday life.

As we invest in quality of care and services provided by DHS, we must also ensure that vulnerable Pennsylvanians are able to meet their basic needs, such as food and shelter.

The interconnection of an adequate diet – both in nutrition and having enough to eat – and a person's present and long-term health is well-documented. Malnutrition can accelerate or worsen existing health challenges or inhibit a person's ability to live safely on their own. The Governor's proposed 2024-25 budget would make a \$17 million investment to increase the minimum monthly Supplemental Nutrition Assistance Program (SNAP) benefit for seniors and people with disabilities by 50 percent. This investment would raise the monthly

*Older adults and people with disabilities make up 38 percent of Pennsylvania's SNAP recipients.*

minimum to \$35 – an increase that we estimate would benefit approximately 106,000 people. Studies have shown that SNAP can reduce food insecurity by as much as 20 percent, and Feeding America has reported that SNAP provides nine meals for every meal provided by one of their member food banks. As our charitable food network is still experiencing extremely high levels of need, this investment will provide extra support for two populations who experience greater likelihood of health complications due to nutrition-related illnesses. Additionally, the Administration is seeking a \$3.75 million investment to assist with operational needs to implement the Summer Electronic Benefits Transfer Program. Known as SunBucks for short, Summer EBT is a federal program designed to help families who receive free or reduced-price school meals during the school year access and afford food when school is closed in the summer months. We expect that 600,000-900,000 children will qualify for this program, and we are grateful for the opportunity to extend more food assistance that is so key to the health and wellbeing of children and families.

Housing instability, homelessness, and a lack of affordable housing options have a direct effect on both individual physical and mental health and wellbeing as well as a community’s ability to grow and thrive economically. To build on the lessons DHS and our county partners learned as we administered federal emergency rental assistance funding granted as part of pandemic relief work, we are seeking to invest an additional \$10 million in the Homeless Assistance Program. If enacted, this would be the first new investment in this program in more than 10 years. From 2019 to 2022, Pennsylvania’s median gross rent increased 17.3 percent. In some counties, rents have risen 20-30 percent from pre-pandemic levels, with some of the starkest growth occurring in rural counties. From 2021 to 2022, the top six counties with the largest percentage growth in median rent were all rural counties. This funding would allow counties to adapt to the current economic and housing climate and better assist with eviction prevention other housing stability supports by supporting an additional 2,500 people with three months of rental assistance and 4,000 emergency shelter supports that keep people find and keep housing and mitigate the individual and community-level risks that happen when a person loses their home. Additionally, we are seeking to invest \$6.84 million for legal aid supports available in Pennsylvania – with \$5 million dedicated specifically for providing representation during eviction proceedings to help keep Pennsylvania families in their homes. People who are unhoused experience higher Medicaid spending, so investments to prevent homelessness and respond to housing instability can have a significant impact on a person individually as well as broader impact across public assistance programs.

*In 2022, 39 percent of renters in Pennsylvania spent 35 percent or more of their income on rent.*

Lower income Pennsylvanians who make too much money to qualify for Medicaid may be un- or under-insured and will often limit their use of care due to the cost of deductibles and co-pays. Cost should not be a barrier to life-sustaining services, and delays in care can cause conditions to be identified when they are more difficult or more costly to treat. DHS partners with providers to offer access to family planning services and reproductive health screenings for lower income women and men, including preventive care, STI testing, cancer and other health screenings, pregnancy counseling, and other health supports. Rates for this care have not been increased since 2015, and we must invest in these services if they are going to continue to be available to men and women around Pennsylvania. To support this work, we are seeking to invest \$1.4 million of state funds, which would allow us to draw additional federal funds for a total of \$4.4 million, to increase rates paid to family planning providers.

## **Ensuring Pennsylvanians Have Access to Mental Health Resources**

Last year, we worked together to make the first new investment in county mental health systems since 2008 – a necessary first step 16 years after this last investment, which had only been adjusted when it saw a cut in 2012. As a former County Commissioner, I saw first-hand the limitations this stagnant funding created for my county and my colleagues around the Commonwealth. Every county and community is facing a behavioral health crisis in some way. The effects of the opioid epidemic or other substance use disorders, the need to make sure those who need and seek treatment for a mental illness or other mental

*More than 1.8 million Pennsylvanians have a mental health condition.*

health challenge, availability of appropriate long-term placement for individuals with chronic behavioral health needs, the need for comprehensive crisis response and emergency behavioral health solutions, and ensuring we are supporting our behavioral health workforce are ever-present challenges that we must continue to

address.

Governor Shapiro’s budget recognizes this and builds on what we were able to start together last year. When initially proposing last year’s \$20 million investment to counties, Governor Shapiro made a commitment to grow this enhanced funding through the 2027-28 fiscal year to reach \$60 million. Recognizing the crisis our counties are facing, we are seeking to accelerate that commitment with an additional \$20 million proposed for this year and with your support, we hope to fulfill that commitment and give our county partners the help they need and deserve by the next budget cycle.

We are also looking to help counties by increasing our support to long-term, community-based placements for people who may need or are currently treated at one of DHS’ state hospitals. If a person with a behavioral health condition becomes involved in the justice system, they may be unable or not ready to stand trial upon arrest. Those cases require diagnosis and treatment to help the person stabilize and determine the next steps. A state hospital is often the first placement for these individuals due to a lack of community-based options, limiting options for all involved. This can create a backlog for other forensic admissions and delays across the system that may cause justice-involved people to remain incarcerated in county jails while they await care. In recent years, DHS has invested in county initiatives to establish long-term treatment options that can either divert justice-involved people from a state hospital or serve as a stepdown option when someone can transition to a less restrictive setting. We are seeking to invest \$5.75 million to support at least another five county-based forensic initiatives that can ease admission challenges to forensic units at our state hospitals and help justice-involved people get the care and support they need. This budget also proposes \$1.6 million to support an expansion of 20 community-based placements for people receiving care at one of DHS’ state hospitals through the Community Hospital Integration Project Programs. Because of the challenges of finding appropriate placements for people being discharged from what may be a long stay in an institutional setting, this program will now be funded at \$160,000 per slot to support successful transitions.

Governor Shapiro’s budget also seeks to invest in the life-saving, essential crisis response system that supports Pennsylvanians during their most urgent times of need. The shift to the three-digit 988 Suicide & Crisis Lifeline in 2022 was a tremendous step forward in breaking barriers to support people experiencing a crisis or those looking to help a loved one, a neighbor, or someone in their community. These



emergencies are incredibly time-sensitive, and 988 has eased connections to trained, empathetic behavioral health supports. Last year's budget invested \$5 million to support staffing and operations at Pennsylvania's 12 call centers that operate 988 around the Commonwealth. Continued funding for the dedicated workforce that staffs these centers 24 hours a day, 7 days a week, 365 days a year is critical to provide the life-saving support callers need. We are seeking to continue this support with a \$10 million investment. When additional help is needed, we must be sure that in-person behavioral health crisis response can be deployed. If needed, the individual in crisis has somewhere to go to help them stabilize safely. Emergency rooms or county jails are often the only option for people in crisis, and investing in a comprehensive crisis response will help people get appropriate, timely care and ease strain on other systems less equipped to stabilize a behavioral health crisis. Crisis walk-in centers are an essential component of addressing a behavioral health emergency in a way that is trauma-informed, empathetic, and prioritizes safe and appropriate care for the individual's circumstances. While some counties have invested in comprehensive crisis response systems, these supports are not universally available in Pennsylvania. We are seeking \$5 million to help establish or maintain behavioral health crisis walk-in centers in counties where they are not currently available and provide additional funding throughout our systems of care to assist people who are uninsured or under insured.

*80 percent of calls to 988 are stabilized through phone or chat support alone – avoiding the need for emergency, in-person support.*

### **Ensuring All Pennsylvanians Have the Freedom to Chart Their Own Course & the Opportunity to Succeed**

If we want to support a vibrant economy and opportunities to succeed for all Pennsylvanians, we need to support parents and their families as they grow and achieve their goals. Supporting access to childcare and the dedicated professionals who choose this field are essential to reaching our broader workforce and economic goals. Governor Shapiro's proposed budget continues the progress we have made by investing in enhanced rates paid to childcare providers who participate in Child Care Works (CCW), our subsidized childcare program. This program eases affordability for lower income, working parents, helping them to navigate the access barrier that could otherwise prevent them from building a career and a better future. This year, we seek to invest \$96,000 in state funds and \$62.5 million in federal funds to increase our commitment to CCW and reach the 75<sup>th</sup> percentile of private pay rates. This would bring Pennsylvania to the federal government's expected benchmark for rates and help close the gap between private pay and CCW, providing operational support to providers serving lower-income, working families. This commitment allows CCW providers to invest in quality of care and their workforce amid the continued challenges of operating in the current economic climate. Parents in all communities need and deserve reliable, quality childcare so they can invest in their family's future. This helps all of us. When parents have access to affordable, quality, and stable childcare, they can stay in the workforce and help reduce staffing shortages in other critical areas. CCW makes this possible for lower-income parents, especially parents looking to move off programs like Temporary Assistance for Needy Families (TANF) and the Supplemental Nutrition Assistance Program (SNAP). We must be sure that these families can access affordable

*13 Pennsylvania counties have 20 percent or more of families with children under 5 living in poverty. All of these are rural counties.*

*From fiscal year 2021-22 to 2022-23, we saw a nearly 46 percent growth in the number of TANF recipients working – 11,569 people total.*

childcare so they can take that step forward. When we target support towards rates paid for subsidized care, we invest in equity and opportunity for all children served by our childcare workforce. We cannot sustain a vibrant economy without also strengthening this caring infrastructure.

### **Investing in Children, Students, and Educators**

Another critical responsibility we have at DHS is the care of youth who are adjudicated delinquent and placed through the juvenile justice system at a secure treatment facility. DHS oversees the private residential treatment system and we operate seven facilities across the state that serve court-adjudicated youth. This system is an opportunity to invest in and redirect a youth's path, helping them overcome their circumstances, get support with behavioral health needs and past trauma, get an education and explore trades, and prepare for a successful return to their community.

Pennsylvania is currently experiencing an acute need for more secure treatment placements due to reductions in private provider availability paired with increasing commitments to DHS' secure treatment facilities. Capacity in our state-run facilities has been strained due to an uptick of youth with designated time commitments that exceed the standard treatment program offered as well as staffing challenges not unlike what is seen in the private sector. These have caused us to maintain a waiting list for secure care at our state-run youth development centers. In an effort to combat this, since 2022, DHS has opened two new secure facilities in Northeastern and Western Pennsylvania as well as established more contracted partnerships with private providers to meet local needs as well as our obligation to provide high quality care and treatment as quickly as possible.

To continue meeting this need, we are in the process of repurposing a vacant space in Montgomery County to establish an additional center. We anticipate beginning operations at what will be known as the Southeast Youth Development Center in May 2024. Additionally, we are looking to expand capacity at our existing Loysville Youth Development Center. A proposed investment of \$18.1 million would allow us to establish the new facility with 48 beds and expand operations at Loysville by 24 beds. This proposed investment would nearly eliminate the number of male youth on the waitlist for secure treatment, enabling these youth to begin treatment with the goal of a successful return to their home communities.

### **Combatting Gun Violence and Ensuring Access to Effective Emergency Services**

Too many in our community do not feel safe at home. Domestic violence service providers around Pennsylvania are seeing an increase in need. Without adequate capacity, people may be turned away – a risk to health and safety. In 2022, during one 24-hour period, providers experienced as many as 166 unmet victim requests, and during that year, 11 programs were forced to reduce emergency shelter services. Unmet requests can result in adult and child victims of domestic violence becoming homeless or returning to unsafe situations. We are seeking to invest an additional \$5 million for DHS' current domestic violence service providers around Pennsylvania, supporting emergency response, legal advocacy, and prevention programming that seeks to reduce the prevalence of domestic violence. This violence is an intergenerational health risk that poses a physical, financial, and emotional risk that does not discriminate by age, geography, or socioeconomic status. By investing in this work, we look towards a better, safer future for all Pennsylvanians.

As Secretary, I am committed to leading a human services system that responsibly stewards our Commonwealth's investments and resources by helping us realize and advance our critical work and mission. I spoke about this with you last year through the budgetary process and our confirmation meetings, and it is a responsibility that I take very seriously. Good stewardship and efficiencies demonstrate our commitment to service and create opportunities to take our work and impact further. For example, the Medicaid unwinding process – our work to fully return to pre-pandemic eligibility processes – has represented a significant lift for many at DHS, but none more than the operations teams at our County Assistance Offices who process eligibility determinations. Despite the lift, we have processed over 3.2 million renewals on time in the year while staying under budget on administrative costs to complete the unwinding. While undertaking this work, referrals made by these staff to the Office of Inspector General for potential fraud have resulted in more than \$3.3 million in restitution for 2023. Our DHS Bureau of Program Integrity also achieved \$462 million in recoveries and cost avoidance in our Medicaid program in fiscal year 2022-23. When identified early in the Shapiro Administration, our Office of Medical Assistance Programs worked together to eliminate a backlog of more than 35,000 Medicaid provider applications that were more than 30 days old in just five months. And, we have decreased the time it takes us to process child abuse clearances from an average of 4.9 days in February 2023 to 1.2 days in January 2024. These efficiencies improve our service to Pennsylvania and the taxpayers who make this work possible and allow us to identify where more support in the agency is needed. The 2024-25 Budget proposes to add 10 positions to DHS to support our essential work to protect children in our 24/7 ChildLine unit, which fields reports of potential abuse and neglect statewide. \$617,000 of state funds would support these ten positions, which would help us reduce mandatory overtime and provide greater support and resources to this team, who work tirelessly to protect children and support families.

Governor Shapiro's proposed 2024-25 budget and its investments in the Department of Human Services and our partners across the Commonwealth rise to current challenges and needs while setting a path to build for the future. When we invest in this system and this work, we invest in our future and the promise that this agency and its partners will be there for every Pennsylvanian when they inevitably interact with the human services system. A key part of being a responsible steward is understanding where you must do more and anticipate where investments are needed to promote better health and stability moving forward. This proposed budget and the initiatives outlined seek to address current needs and challenges and will make it possible for *all* people to be a part of a better, prosperous, and healthy future.

I look forward to working with each of you, your committee, and the rest of the Pennsylvania General Assembly to help make this future possible.