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May 29, 2026

LEGISLATIVE BULLETIN

COUNTY COMMISSIONERS ASSOCIATION OF PENNSYLVANIA

THE VOICE OF PENNSYLVANIA COUNTIES

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BUDGET SEASON BEGINS; COUNTIES CALL FOR MENTAL HEALTH FUNDING

The legislature is set to return to Harrisburg on Monday, June 1, marking the start of budget season. Lawmakers will convene throughout the month ahead of the June 30 deadline to finalize the Fiscal Year 2026-2027 state budget. As the General Assembly returns to session, counties remain at the forefront of advocacy efforts, emphasizing the need for sustainable investments in critical county-administered services.

Governor Josh Shapiro's \$53.3 billion [budget proposal](#) will serve as the foundation for negotiations in the weeks ahead. Both chambers have introduced budget legislation -- [House Bill 2400](#) and [Senate Bill 1220](#). The House has already taken early action, advancing HB 2400 out of the House Appropriations Committee on April 14, where it now awaits consideration by the full chamber. The Senate proposal currently remains pending before the Senate Appropriations Committee.

One of counties' top priorities in the FY 2026-2027 state budget is a meaningful and sustainable [investment in mental health services](#). Counties serve as the boots on the ground in administering mental health programs across the Commonwealth. While state base funding has allowed counties to provide critical services, funding levels

have remained largely stagnant despite growing demand and increasing service costs. Without a long-term investment from the Commonwealth, residents will continue to face delays and barriers in accessing care, while pressure on hospitals, law enforcement, emergency departments, and county correctional systems continues to rise.

To address these growing challenges, counties are advocating for a sustained investment in county mental health crisis services that is separate from other mental health initiatives, including school-based services. This investment would represent a critical step toward rebuilding Pennsylvania's community mental health system and easing the strain on system partners such as jails, emergency rooms, and schools.

With additional funding, counties would be able to:

- Expand programs for justice-involved individuals, helping to divert them from incarceration and into treatment;
- Increase access to early intervention and prevention services for children and adolescents;
- Rebuild essential infrastructure such as walk-in crisis centers and certified peer specialist programs;
- Strengthen supportive housing services that promote recovery and independence;
- Enhance crisis response and emergency services to address growing demand;
- Address the ongoing workforce crisis by improving recruitment and retention of skilled mental health professionals.

Counties stand ready to partner with the General Assembly and the Administration to ensure Pennsylvanians have timely, local access to the mental health services they need. This investment is more than a funding request -- it is a necessary commitment to rebuilding a system that supports individuals, families, and communities across the Commonwealth.

CCAP will continue to provide updates and budget-related information throughout the budget process on the [CCAP Budget News Webpage](#).

U.S HOUSE COMMITTEE ADVANCES BUILD AMERICA 250 ACT TO FULL CHAMBER

On May 22, the U.S. House of Representatives Committee on Transportation & Infrastructure advanced the [BUILD American 250 Act](#) by a vote of 61-2. The bill now heads to the full House of Representatives for consideration.

Several amendments were considered that have impacts on counties. The [Railway Safety Act](#) was added to the bill, which would require more wayside detectors, enhance inspection standards, expands hazardous material regulations, and add a fund that would reimburse first responders if there was a derailment. It would also create a pilot program to allow 91,000-lb. trucks on interstates. This would result in more trucks on county owned roads and bridges, which could impact road conditions. Other amendment language was added to ensure that States take into consideration the rural and urban interests when awarding funds.

For additional information and a more detailed analysis of the legislation, please refer to the [analysis](#) prepared by the National Association of Counties (NACo).

USDA ANNOUNCES \$44 MILLION IN RURAL BROADBAND GRANTS FOR FY 2026

On May 13, the U.S. Department of Agriculture (USDA) announced available grant funding under the Community Connect Grant Program and the Distance Learning and Telemedicine (DLT) Grant Program for FY 2026. In total, \$44 million is available in financial assistance between these two programs.

The [Community Connect Grant Program](#) offers \$17 million to help fund broadband developments in rural communities. The minimum service threshold is where 10 Mbps download and 1 Mbps upload is unavailable.

The [Distance Learning and Telemedicine Grant Program](#) offers \$27 million to help connect rural residents to education and healthcare services. This would apply to rural communities with less than 20,000 residents.

For rural counties, broadband plays a transformative role in helping communities stay connected and competitive because reliable internet access is no longer optional – it is essential infrastructure. These grants would help counties continue to help mend the gap between rural and urban communities.

The FY 2026 funding opportunities are now open through USDA Rural Utilities Service. Full notices, eligibility requirements and application materials are available through [Grants.gov](#) and USDA Rural Development program webpages.

Detailed information and links to applications can be found on NACo's [website](#).

GOVERNOR SHAPIRO & DCED ANNOUNCED NEW MAIN STREET MATTERS AWARDS

On May 26, Governor Josh Shapiro and the Pennsylvania Department of Community and Economic Development (DCED) [announced](#) a \$17.2 million investment in community projects across Pennsylvania through the Main Street Matters program. The funding will support downtown revitalization efforts and strengthen local economies across the Commonwealth.

A full list of funded Main Street Matters projects is available [here](#). Governor Shapiro's proposed Fiscal Year 2026-2027 [budget](#) also includes an additional \$20 million investment for the program as part of broader efforts to continue supporting economic development and revitalization initiatives throughout Pennsylvania.

USDA APPROVES DISASTER DECLARATION FOR PA GROWERS

U.S. Secretary of Agriculture, Brooke Rollins, alongside U.S. Representative for Pennsylvania's 8th Congressional District, Rob Bresnahan, [announced](#) a federal disaster declaration for 17 Pennsylvania counties following last month's severe spring freeze, which caused significant damage to fruit blossoms and impacted growers across the region.

The Secretarial Natural Disaster Designation enables the USDA's Farm Service Agency to provide emergency credit assistance through low-interest emergency loans to eligible producers recovering from disaster-related losses.

In addition to emergency loan opportunities, the USDA offers a range of disaster recovery programs and resources designed to assist farmers and ranchers affected by natural disasters. Additional information on available USDA disaster assistance programs can be found at [Farmers.gov](https://www.farmers.gov).

For more information regarding the disaster declaration and available assistance programs, please visit the U.S. Department of Agriculture [website](#).

IFO RELEASES INITIAL REVENUE ESTIMATE FOR FY 2026-27

On May 2026, the Independent Fiscal Office (IFO) [released](#) its initial revenue estimates for FY 2026-2027 and revised revenue estimates for FY 2025-2026.

The IFO revised its FY 2025-2026 General Fund revenue estimate to \$48.77 billion, which is \$848 million (+1.8%) above the official estimate issued in June 2025. The increase is primarily driven by stronger-than-expected personal income tax (PIT) collections, particularly non-withholding payments tied to higher capital gains and strong stock market performance. Sales and Use tax collections also exceeded projections due to strong consumer spending and business investment. However, corporate net income tax collections are projected to remain below estimates due to the continued phased reduction in the tax rate. Looking ahead, the IFO's initial revenue estimate for FY 2026-2027 is \$49.56 billion, representing a \$789 million (+1.6%) increase over the revised FY 2025-2026 estimate.



County Commissioners Association of Pennsylvania

PO Box 60769 | Harrisburg, PA 17106-0769

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