



July 7, 2026

Deputy Secretary Laval Miller-Wilson
Office of Children, Youth, and Families (OCYF)
Pennsylvania Department of Human Services
625 Forster Street
Harrisburg, PA 17120

RE: Impact of Regulation #14-559: Residential Services for Children and Youth

Dear Deputy Secretary Miller-Wilson:

We are writing to share our concerns regarding *Regulation #14-559: Residential Services for Children and Youth*, specifically, the cost implications to providers and the entire system if these regulations move forward as-is. The Department of Human Services (DHS) has proposed these chapters based on estimates from 2023, and discussions with providers based on pre-pandemic operations, in 2019, however costs have increased exponentially and do not represent current actuals. The undersigned organizations understand and support the service enhancement that DHS is seeking to implement through these regulations. However, we emphatically assert that without a sufficient funding allocation, the reforms sought by the Department will actually further endanger the well-being of children and youth in these residential programs.

Through their regulatory packet, PA DHS submitted cost estimates for staffing and administrative efforts to consist of \$34,654,214 over 117 private legal entities operating 464 licensed child residential, secure residential and secure detention facilities. In actuality, only a half dozen of both large and small providers, estimated a collective impact of \$25,208,340.46 – 73% of DHS’ overall estimate captured by only six entities.

Increasing staffing, ratios, training, and other requirements without an accurate cost projection will mean there will be insufficient funding dedicated to this reform, shifting the cost of this state initiative entirely to private providers. Over time, we will see providers closing their doors, withdrawing their programs, and shrinking their bed capacity – resulting in a placement crisis for youth with heightened needs. Many providers are presently considering decreasing their current capacity because they know the alternative financial impact will be unsurmountable.

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PCCYFS is a leading statewide membership organization serving as a united voice for our valued partners through education, data, resources, and advocacy towards achieving a brighter future for children, youth, and families.

Further, it is important to note that these regulations do not differentiate between larger providers and smaller providers, despite the disparities in impact to each. These regulations risk losing the familiarity and community-specific services that group homes and other smaller settings may offer. In turn, these smaller providers will make difficult decisions to scale down or close altogether, resulting in significant loss to communities throughout Pennsylvania.

In light of the actual estimates and the unintended impact these heightened costs may have on system capacity, we strongly urge the following:

- The state must conduct a more realistic and accurate cost projection and ensure that these costs are captured in future budgeting.
- Reconsider the provisions that have the most significant financial impact on providers, including but not limited to:
 - § 3900.54. Residential program supervisor
 - § 3900.55. Additional staff responsibilities
 - § 3900.57. Staff Training
 - § 3900.83. Bedroom accommodations
 - § 3900.88. Video surveillance system
 - § 3910.12. Residential program worker
 - § 3910.14. Supervision
 - § 3920.11. Residential program worker
- Increase the transition period for the regulations to better align with a Needs-Based Plan and Budget cycle, while also allowing ample time for providers to implement these provisions. PCCYFS urges a minimum of 3 years.
- Allocate “transition funding” before the regulations fully go into effect, so that providers have the ability to begin scaling up and increasing hiring and other modifications prior to the full implementation of the 3900/3910/3920 regulations.
- Meaningfully engage partners every step of the way, including through additional cost analyses and the drafting and development of the Regulatory Compliance Guide (RCG).

The success of this regulatory rollout will hinge significantly on the availability of resources to do this work well – underfunding these regulations will result in another placement crisis as providers scale back and/or close entirely. We strongly urge the Department to implement these considerations for the benefit of children and youth who need support the most.

Thank you for the opportunity to share our concerns and we look forward to our continued work together.

Sincerely,

SUPPORTIVE ASSOCIATIONS

Pennsylvania Children and Youth Administrators Association (PCYA)
 Pennsylvania Council of Children, Youth & Family Services

SUPPORTIVE ORGANIZATIONS

*(The) Academy Schools (Summit School Inc., Summit Academy, New Outlook)
 *Adelphoi
 *Appalachian Youth Services
 Bedford County Probation
 *Bethanna
 *Bethany Christian Services of Central PA
 *Blueprints
 Butler County Juvenile Court Services
 *Catholic Charities of Philadelphia (St. Francis/St. Vincent Homes, Catholic Community Services)
 *Children's Aid Society in Clearfield County
 *Children's Home of York
 *Common Sense Adoption Services
 *Community Service Foundation
 *Cray Youth & Family Services
 *Everstand
 *Families United Network
 *Hoffman Homes, Inc.
 Judicial Risk Reduction Strategies
 Love 2 Care Inc
 *New Life Adolescents
 *Perseus House
 Philadelphia Family Voices
 PiecestoFit, LLC
 *Pressley Ridge
 *Progressive Life Center, Inc.
 *Sarah A Reed Children's Center

SUPPORTIVE INDIVIDUALS

Adrienne Pollicemi, La Salle University
 Susan Willy, CYS Beaver County

**Indicates a PCCYFS Member*

cc: Caitlin Robinson, DHS
 Representative Jeanne McNeil
 Representative Kate Klunk
 Senator Michele Brooks
 Senator Art Haywood
 Representative Jordan Harris
 Representative James B. Struzzi II

Senator Scott Martin
 Senator Vincent Hughes
 Secretary Zachary Reber
 Joan Bradbury
 Lindsey Mauldin
 IRRC