



Pennsylvania

## Department of State

**2026 House Appropriations Committee Budget Hearing**

**March 5, 2026**

**Testimony of Secretary of the Commonwealth Al Schmidt**

**Pennsylvania Department of State**

**Fiscal Year 2026-2027 Budget**

Chairman Harris and Chairman Struzzi, thank you for the invitation to appear before the Committee to discuss the Department of State's (Department) 2026-2027 Budget. Joining me today are Deputy Secretary Kalonji Johnson; Deputy Secretary Jonathan Marks; Bureau of Finance & Procurement Director Kim Mattis; and Acting Commissioner of the Bureau of Professional and Occupational Affairs Arion Claggett.

As you know, the Department's mission includes ensuring the integrity and security of Pennsylvania's electoral process, supporting economic development through business registrations, and protecting public health and safety by licensing certain professions, facilities, and occupations.

### **Ensuring Electoral Integrity and Security**

We are proud of the Department's and the counties' success in administering safe and secure elections across the Commonwealth of Pennsylvania. Over 3.7 million Pennsylvanians cast their vote in the 2025 municipal election, a 42.4% turnout of eligible voters, which was well above the 36.8% turnout from the 2023 municipal election. Over 2.7 million voters cast their vote in person on Election Day, and nearly 960,000 voters cast their vote by mail.

To improve the voting experience for Pennsylvanians, the Department collaborated with our county partners in 2025 to redesign the provisional ballot envelopes used by counties to be more user friendly for both voters and poll workers. These efforts led to a 11.3% decrease in the number of provisional ballots rejected in the November election when compared to rejection rates in the 2024 general election. This change builds on the success of the Department's redesign of mail ballot envelopes in 2023, which reduced the number of ballots rejected for missing signatures and secrecy envelopes — reaffirming the Shapiro Administration's commitment to ensuring every eligible voter has the opportunity to cast their vote and make their voice heard in each election.

The Department continues to support the vital work of our county partners. Our training team conducted trainings on ten different topics with election officials in 2025. These trainings covered topics such as list maintenance, voter registration and mail ballot applications, logic and accuracy testing for voting systems, overseas and military voters, and election night reporting. The Department also prioritized outreach to new election directors by launching a weekly series specifically targeted at their needs.

## **Regulating Professions**

The Shapiro Administration is committed to making the process for obtaining and renewing a professional license in Pennsylvania as efficient and streamlined as possible. For the second year in a row, Pennsylvania ranked in the top 10 states in the Archbridge Institute's State Occupational Licensing Index for low occupational licensing burden. The Index's criteria include the number of occupations licensed, universal recognition policies, and requirements for initial licensure.

The Department's Bureau of Professional and Occupational Affairs (BPOA) has reduced and maintained the average wait times for license issuance, renewal, and reactivation to under three business days for nearly all licensing boards. For example, since the beginning of the Shapiro Administration, the average processing time for an initial licensure application for pharmacists has been reduced from 26 days to one day, dentists from 27 days to one day, and nurses from 25 days to three days.

In 2025, the Department fully implemented the nurse, medical, and physical therapy licensure compacts. We are appreciative of the General Assembly's assistance in urging the FBI to approve Pennsylvania's language enabling the receipt of the results of applicant criminal history checks needed for compact implementation. The General Assembly also passed the legislation that contained the necessary language and passed legislation permitting licensing boards to issue temporary regulations to expedite the implementation process. In 2025, over 10,000 Pennsylvania nurses received multi-state licenses, 2,400 out-of-state physicians received credentials to practice in Pennsylvania, and 252 out-of-state physical therapists received privileges to practice in Pennsylvania.

Building on the work of the past three years, Governor Shapiro proposed several additional initiatives in his 2026-27 budget to reduce barriers for professionals to become licensed and practice in Pennsylvania. In his 2026 Budget Address, the Governor directed the Department to conduct a regional comparison of licensure requirements to identify requirements that are more stringent in Pennsylvania and make it harder for individuals to start careers in the Commonwealth. The Department has also identified a number of existing license classes that are rarely used or are unnecessary. Eliminating those license types will reduce government red tape, create workforce development opportunities, and

improve access to services for all Pennsylvanians. The Governor also proposed removing the exam requirement for certain social worker applicants. This change would eliminate an exam that delays entry into the workforce and disproportionately blocks qualified candidates from diverse backgrounds.

### **Improving Business Registration**

The Department's Bureau of Corporations and Charitable Organizations (BCCO) maintains a database of more than 3 million registered businesses in the Commonwealth. In 2025, BCCO processed over 1 million total filings. This number includes over 540,000 annual reports in the first year of the requirements of Act 122 of 2022. Excluding annual reporting, BCCO oversaw an increase in total filings of 12% in 2024 and did so with an average processing time of one day for businesses and five days for charities. BCCO filings generated over \$56 million in revenue in 2025 – with \$45.9 million going to the General Fund and \$10.1 million to the Bureau.

### **Keeping Pennsylvanians Safe**

One of the Department's key responsibilities is keeping Pennsylvanians safe by investigating and adjudicating complaints against licensed practitioners, businesses, and actors engaged in unlicensed practice. Our Professional Compliance Office, within the Department's Office of Chief Counsel, reviews each complaint that is submitted. If an investigation is warranted, cases may be referred to our Bureau of Enforcement and Investigation (BEI), and an investigation will be completed and provided to prosecuting attorneys for review. In 2025, BEI inspectors completed 37,069 investigations and facility

inspections, and investigators closed 9,068 cases. Since 2023, the average wait time for new business inspections has decreased by 36%.

In this year's budget, Governor Shapiro directed the Department to proactively ensure that we are protecting Pennsylvanians from any harms in the emerging artificial intelligence space. That includes leveraging existing statutory protections for appropriate action against unlicensed practice by anyone – human or algorithm. The safety of Pennsylvanians remains a top priority of the Department.

### **Overseeing Athletics in Pennsylvania**

Finally, the Department's diverse portfolio also includes the State Athletic Commission (SAC). SAC regulates professional boxing, kickboxing, mixed martial arts (MMA), and professional wrestling. In 2025, SAC licensed 2,792 professional and amateur individuals in these sports to transact business in the Commonwealth, the most in SAC's history.

SAC regulated or sanctioned 552 events in 2025, which is the highest amount in 20 years. This includes 45 pro-boxing events, 21 professional/amateur MMA events, eight professional/amateur kickboxing events, three bareknuckle events, 403 professional wrestling events, and 72 amateur boxing events. Pennsylvania continues to grow as one of the premier destinations for combat sports events.

The Department is committed to working with the General Assembly and the Governor to continue improving services for our clients, customers, and the citizens of the Commonwealth. We are proud of the successes achieved during the past three years,

and we look forward to continued success in 2026. Thank you for your time and attention and the opportunity to appear before you.