

Senate Finance Committee Decision Document
 Senator Kolkhorst, Workgroup Chair on Article II
 Members: Senators Alvarado, Paxton

Decisions as of March 12 @ 8:00am

LBB Manager: Eduardo Rodriguez

Article II, Health and Human Services Total, Article II, Health and Human Services Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 2026-27 Biennial Total		Pended Items 2026-27 Biennial Total		Adopted 2026-27 Biennial Total		Article XI 2026-27 Biennial Total	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
Department of Family and Protective Services (530)								
Total, Outstanding Items / Tentative Decisions	\$ 352,661,885	\$ 413,579,765	\$ -	\$ -	\$ 127,850,414	\$ 172,280,683	\$ 55,152,683	\$ 58,833,912
Total, Full-time Equivalents / Tentative Decisions	235.4	268.9	0.0	0.0	48.0	81.5	0.0	0.0
Department of State Health Services (537)								
Total, Outstanding Items / Tentative Decisions	\$ 465,717,384	\$ 493,340,053	\$ -	\$ -	\$ 30,281,407	\$ 43,156,586	\$ -	\$ -
Total, Full-time Equivalents / Tentative Decisions	171.0	179.0	0.0	0.0	63.0	63.0	0.0	0.0
Health and Human Services Commission (529)								
Total, Outstanding Items / Tentative Decisions	\$ 3,215,449,542	\$ 9,290,753,251	\$ -	\$ -	\$ (119,450,749)	\$ 115,389,775	\$ -	\$ -
Total, Full-time Equivalents / Tentative Decisions	510.7	517.7	0.0	0.0	431.5	440.0	0.0	0.0
Special Provisions Relating to All Health and Human Services Agencies (S02)								
Total, Outstanding Items / Tentative Decisions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total, Full-time Equivalents / Tentative Decisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total, Outstanding Items / Tentative Decisions	\$ 4,033,828,811	\$ 10,197,673,069	\$ -	\$ -	\$ 38,681,072	\$ 330,827,044	\$ 55,152,683	\$ 58,833,912
NO-COST ADJUSTMENTS								
1 Department of State Health Services	\$ (6,318,077)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 Health and Human Services Commission	\$ 6,318,077	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total, NO COST ADJUSTMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Article II, Health and Human Services Total, Article II, Health and Human Services Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
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	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
Total GR & GR-Ded Adopted Items less Cost-out Adjustments	\$ 4,033,828,811	\$ 10,197,673,069	\$ -	\$ -	\$ 38,681,072	\$ 330,827,044	\$ 55,152,683	\$ 58,833,912
	FY 2026	FY 2027	FY 2026	FY 2027	FY 2026	FY 2027	FY 2026	FY 2027
Total, Full-time Equivalents / Tentative Decisions	917.1	965.6	0.0	0.0	542.5	584.5	0.0	0.0

Article II, Health and Human Services Department of Family and Protective Services (530) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
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Technical Adjustments:								
1. Network Support Payments to maintain the rate of \$1,900 in new regions and stages.	\$ 1,411,127	\$ 1,411,127			\$ 1,411,127	\$ 1,411,127		
Agency Requests:								
1. Sustain Client Services and Staffing								
a. Strengthen Services for Adult Protective Services (APS). This request would continue the Training While Working pilot program for new APS caseworkers. This request would reallocate 40.0 FTEs each fiscal year from Strategy B.1.1, CPS Direct Delivery Staff, to Strategies C.1.1, APS Direct Delivery Staff, and C.1.2, APS Program Support.	\$ 956,636	\$ 956,636			\$ 956,636	\$ 956,636		
b. Sustain Current Caseloads for APS (141.4/141.4). This request would add additional caseworkers and support staff to reduce the APS caseload from 26.0 cases to 23.0 cases per worker. 80.0/80.0 APS Caseworker I-IV 13.0/13.0 APS Supervisors I-II 13.0/13.0 Administrative Assistants II 13.0/13.0 Human Resources Technicians IV 22.4/22.4 Other Support Staff	\$ 29,225,909	\$ 29,977,717						

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2.	Annualize and Expand Community-based Care (CBC)								
a.	Single Source Continuum Contractor (SSCC) Network Support Payment Increase. This request would increase the network support payment rate from \$1,900 per child FTE to \$2,500 per child FTE.	\$ 13,003,272	\$ 13,003,272			\$ 9,440,041	\$ 9,440,041		
						<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> Adopt as Amended \$2,300 Per Child FTE </div>			
b.	Early Payments to SSCCs During Readiness Prior to Stage I and Stage II. This request would pay the SSCCs three early resource transfer payments to recruit, hire, and train staff before implementation of Stage I and Stage II.	\$ 11,489,139	\$ 12,422,438			\$ 11,489,139	\$ 12,422,438		
c.	DFPS Incentive Payments/Stay Pay for CBC Retention. This request would provide a one-time retention bonus of \$1,800 to staff who commit to transition from state employment to the SSCCs.	\$ 1,239,801	\$ 1,413,000						
d.	Additional Resource Transfer and FTEs. This request would provide resource transfers to transition staff from DFPS to SSCCs that were not previously included in the methodology. This item includes \$204,206 in General Revenue (\$220,794 in All Funds) for HR and hiring specialists as well as \$2,291,387 in General Revenue (\$2,447,522 in All Funds) for accounting staff.	\$ 2,495,593	\$ 2,698,316						

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e. Increase Resources for CBC to Mirror the DFPS Targeted Agency Salary Request. This request would provide funds for targeted salary compression to SSCCs to mirror the DFPS exceptional item "Improve Pay Equity for Caseworkers Across Select Programs".	\$ 14,725,926	\$ 15,922,155						
f. Comprehensive CBC Process Evaluation. This request would continue a contract with a Texas Public University to evaluate SSCC fiscal and performance outcomes pursuant to Family Code, Sections 264.153 and 264.157.	\$ 3,711,960	\$ 4,000,000			\$ 3,711,960	\$ 4,000,000		
3. Improve Client Safety through Services								
a. Expand Day Care for Kinship Caregivers. This request would increase day care eligibility for children placed in a verified or unverified relative placement to ages 7-12 all year. Children would be eligible if their caregivers are 65 or older; has a documented disability; or is employed at least 20 hours a week.	\$ 575,195	\$ 7,038,061			\$ 575,195	\$ 7,038,061		

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b. General Revenue for Transitional Living Services. This request would provide General Revenue to continue drawing down federal funding that was previously done with funds from providers who are no longer required to match the General Revenue received for contracted services. The agency estimates they will draw down \$2,238,240 in Federal Funds for the biennium.	\$ 559,560	\$ 559,560			\$ 559,560	\$ 559,560		
c. Sustain Texas Family First Pilot (6.0/6.0). This request would continue the pilot program with General Revenue due to the end of the Family First Transition Act federal grant. 1.0/1.0 Research Specialist V 1.0/1.0 Data Analyst IV 4.0/4.0 CPS Program Specialist	\$ 21,275,603	\$ 22,924,851			\$ 15,000,000	\$ 16,162,774		
4. Meet the Needs of High Acuity Youth								
a. Strengthen Behavioral Health Services. This request would continue and expand a contract with the University of Texas Health Sciences Center San Antonio for services related to residential treatment for children and youth.	\$ 412,440	\$ 444,444						

Adopt as Amended

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	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
b. Expand Kinship Family Support for Children with Behavioral Health Needs. This request would provide behavioral health supports and services to children specifically in a kinship placement to three new SSCCs. Senate Bill 1 includes \$3.0 million in General Revenue for this purpose in existing CBC regions.	\$ 3,000,000	\$ 3,000,000			\$ 3,000,000	\$ 3,000,000		
					Adopt Add New Rider (See Workgroup Addition #2)			
c. Intensive Peer Support Services for High Acuity Youth. This request would provide funding to procure services for paid professional support for 73 high acuity youth in the five most populated counties.	\$ 2,650,000	\$ 2,650,000						
5. Stabilize and Retain Workforce								
a. Address Targeted Salary Compression to Retain Staff and Provide Career Advancement Opportunities. This request would provide salary increases for entry level staff and address salary compression to encourage tenured staff to seek promotions.	\$ 71,879,470	\$ 81,005,974			\$ 20,000,000	\$ 22,539,391		
					Adopt as Amended: Allow agency to allocate funding as needed			

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b. Improve Pay Equity for Caseworkers Across Select Programs. This request would reduce pay discrepancies between APS caseworkers, Residential Child Care Investigators, and Day Care Investigators as well as a career ladder for Residential Child Care Investigators.	\$ 1,310,773	\$ 1,333,333						
c. Education Based Compensation Enhanced Initiative. The request would provide a compensation structure for DFPS staff with a Master of Social Work degree as a new hire or current staff who are obtaining their degree.	\$ 436,736	\$ 489,761			\$ 436,736	\$ 489,761		
d. Strengthen Employee Retention through an Ongoing Merit Program. This request would provide an ongoing merit program to support staff retention.	\$ 30,301,028	\$ 32,738,308						
6. Strengthen Agency Operations								
a. Provide Statewide Consistency in Reason to Believe Dispositions. This request would provide staff to perform secondary level reviews of Reason to Believe dispositions of investigations at the conclusion of the investigation.	\$ 1,590,886	\$ 1,730,036			\$ 1,590,886	\$ 1,730,036		

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<p>b. Improve Timeliness for Due Process.</p> <p>This request would provide additional staff to address the backlog of appeal cases when designated perpetrators appeal their investigative findings.</p> <p>This request would reallocate 2.0 FTEs each fiscal year from Strategy B.1.1, CPS Direct Delivery Staff, to Strategy C.1.2, APS Program Support.</p>	\$ 754,218	\$ 832,844			\$ 754,218	\$ 832,844		
<p>c. Enhance Records Management Operations (17.0/17.0).</p> <p>This request would provide staff to handle various record requests and digitalize remaining paper records to comply with Senate Bill 1896, Eighty-seventh Legislature, Regular Session, 2021.</p> <p>1.0/1.0 Program Supervisor IV 16.0/16.0 Records Analyst I-III</p>	\$ 6,454,904	\$ 6,885,751						
<p>d. Statewide Intake Quality Assurance Program Support.</p> <p>This request would provide staff to increase program oversight and performance through quality assurance activities, data collection, and support.</p> <p>This request would reallocate 6.0 FTEs each fiscal year from Strategy B.1.1, CPS Direct Delivery Staff, to Strategy A.1.1, Statewide Intake Services.</p>	\$ 45,670	\$ 45,670			\$ 45,670	\$ 45,670		

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<p>e. Improving Statewide Intake Operations to Achieve an Average Hold Time of 5 Minutes (24.0/24.0).</p> <p>This request would provide staff to decrease the average statewide intake hold time to 5 minutes.</p> <p>18.0/18.0 SWI Protective Service Intake Specialist I-IV 2.0/2.0 SWI Supervisor I-II 1.0/1.0 Manager IV 2.0/2.0 Administrative Assistant II 1.0/1.0 Quality Assurance Specialist III</p>	\$ 5,213,334	\$ 5,278,311						
<p>f. Additional Adult Protective Services Policy Staff.</p> <p>This request would provide additional APS policy staff to respond to policy changes, implementation training and legislative requests. These staff review cases for accuracy and would review a larger percentage of cases.</p> <p>This request would reallocate 2.0 FTEs each fiscal year from Strategy B.1.1, CPS Direct Delivery Staff, to Strategy C.1.2, APS Program Support.</p>	\$ 166,908	\$ 166,908			\$ 166,908	\$ 166,908		

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	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
<p>g. Improve APS Quality Assurance.</p> <p>This request would provide additional APS Quality Assurance staff to review APS cases for accuracy.</p> <p>This request would reallocate 7.0 FTEs each fiscal year from Strategy B.1.1, CPS Direct Delivery Staff, to Strategy C.1.2, APS Program Support.</p>	\$ 281,702	\$ 281,702			\$ 281,702	\$ 281,702		
<p>h. Maintain Current Utilization of Background Checks for Screening Purposes.</p> <p>This request would address increasing FBI fingerprint check costs as well as Department of Public Safety name-based checks for employees and clients who have access to DFPS systems and networks. The request would also address costs for FBI fingerprint checks for contractors and their staff/volunteers.</p>	\$ 980,594	\$ 1,048,406			\$ 980,594	\$ 1,048,406		

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i.	Lease Replacements. This request would replace the San Antonio Pickwell Office with one other sites or provide enhancements to the current office if the Request for Proposal is not finalized.	\$ 18,309,982	\$ 19,532,106			\$ 12,000,000	\$ 12,800,956		
						Adopt as Amended: Add New Rider (See Workgroup Addition #3)			
7.	Strengthen IT and Data Resources								
a.	Begin Implementation of New Case Management System (8.0/39.5). This request would provide funding to develop a new case management system which includes data exchange with external state agencies and modernization of contracts and grants management system. 2.0/3.0 Business Analyst II-IV 2.0/4.0 Systems Analyst III-V 1.0/1.0 Cybersecurity Analyst I 2.0/2.0 Data Analyst IV 1.0/1.0 Programmer IV 0.0/1.0 Director I 0.0/2.0 Training Specialist V 0.0/1.0 Technical Writer III DFPS has requested a rider to provide cross-biennia unexpended balance (UB) authority with the intent to UB the funds in fiscal year 2027 to the next biennium.	\$ 29,167,271	\$ 59,534,545			\$ 29,167,271	\$ 59,534,545		

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<p>b. Continued Implementation of Interagency Background Check System (28.0/28.0).</p> <p>This request would provide resources to implement the Search Engine for Multi-Agency Reportable Conduct (SEMARC) pursuant to Senate Bill 1849, Eighty-eighth Legislature, Regular Session, 2023.</p> <p>4.0/4.0 Attorney III and IV 8.0/8.0 Program Specialist IV-VI 2.0/2.0 Systems Analyst V-VI 2.0/2.0 Project Manager IV 1.0/1.0 Management Analyst IV 1.0/1.0 Administrative Assistant 1.0/1.0 HR Specialist VI 1.0/1.0 Legal Assistant IV 5.0/5.0 Investigator II-III 1.0/1.0 Manager I 2.0/2.0 Records Analyst II</p>	\$ 12,462,734	\$ 13,277,598			\$ 12,462,734	\$ 13,277,598		
<p>c. New Records Management System.</p> <p>This request would replace the existing Electronic Content Management System with an alternative system interoperable with the Information Management Protecting Adults and Children in Texas (IMPACT) system and to meet requirements pursuant to Senate Bill 1896, Eighty-eighth Legislature, Regular Session, 2023.</p>	\$ 22,106,565	\$ 23,582,095					\$ 22,106,565	\$ 23,582,095

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d. Advancing Cybersecurity Protections and Technologies (6.0/8.0). This request would provide staff to address current cybersecurity threats and prepare DFPS to mitigate future risks. 6.0/8.0 Cybersecurity Analysts I-III	\$ 10,820,037	\$ 11,542,229			\$ 10,820,037	\$ 11,542,229		
e. Replace and Address Technical Debt. This request would replace and address technical debt through one-time investment in technological infrastructure upgrades including routers, wireless internet devices, servers and applications.	\$ 14,069,109	\$ 15,008,170					\$ 14,069,109	\$ 15,008,170
f. Data and Analytics Modernization (5.0/5.0). This request would update the Contracts and Grants Management System by moving all DFPS data to a cloud-based platform, add analytical tools for internal and external use, and improve data quality. 2.0/2.0 Data Analyst IV 1.0/1.0 Project Manager IV 2.0/2.0 Manager IV	\$ 15,907,405	\$ 16,969,159					\$ 15,907,405	\$ 16,969,159

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g. Improve Software Quality through Automated Testing Tools. This request would utilize AI to increase efficiency of IT operations by streamlining software development, reducing the need for contracted FTEs, and automating business processes.	\$ 3,069,604	\$ 3,274,488					\$ 3,069,604	\$ 3,274,488
8. Revise Rider 15, Community-based Care, to move reporting requirement from Rider 23, Rate Listing and Limitations, subsection (d), to this rider and move reporting requirement from Rider 25, Limitations: Community-based Care, subsection (d).					Adopted			
9. Revise Rider 25, Limitations: Community-based Care Payments, to delete the independent evaluation throughout the rollout and implementation of Community-based Care.								
10. Add new rider, Community-based Care Incentive Pay, to allow DFPS to pay a one-time incentive for employees transitioning to the Community-based Care contractors.								

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Workgroup Revisions and Additions:								
1. Statewide Intake Screeners and Supervisors. This request would allow for the expansion of the Alternative Response program within Investigations. This request would reallocate 36.0 FTEs each fiscal year from Strategy B.1.1, CPS Direct Delivery Staff, to Strategy A.1.1, Statewide Intake Services. DFPS has requested a rider to provide transfer authority for FTEs from Strategy B.1.1, CPS Direct Delivery Staff, to Strategy A.1.1, Statewide Intake Services.	\$ 600,794	\$ 600,794						
2. Add new rider to measure the utilization of program funding and outcomes for behavioral health support and services to children. See item 4.b. Expand Kinship Family Support for Children with Behavioral Health Needs.					Adopted			
3. Add new rider identifying one-time funding to replace the San Antonio Pickwell office space contingent on the agency finding a new site. See item 6.i.					Adopted			
4. Reallocate \$7.0 million in General Revenue to HHSC to partially offset costs associated with a new residential treatment facility. See also HHSC Workgroup Revision and Addition #14 and Special Provisions Relating to All Health and Human Services Agencies Workgroup Addition #1.					\$ (7,000,000)	\$ (7,000,000)		
Total, Outstanding Items / Tentative Decisions	\$ 352,661,885	\$ 413,579,765	\$ -	\$ -	\$ 127,850,414	\$ 172,280,683	\$ 55,152,683	\$ 58,833,912

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	235.4	268.9	0.0	0.0	48.0	81.5	0.0	0.0
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Cost-Out Adjustments:								
1. Decrease General Revenue-Dedicated Account No. 5111, Designated Trauma Facility and EMS, appropriations by \$6,318,077 to align with the Comptroller's Biennial Revenue Estimate. See HHSC Cost-Out Adjustment #1 and Special Provisions Technical Adjustment #2.	\$ (6,318,077)	\$ -			\$ (6,318,077)	\$ -		
Agency Requests:								
1. Meet Increased Costs for Current Agency Operations								
a. Vehicles Provide funding to replace vehicles critical to DSHS program operations that meet or exceed state fleet replacement criteria (\$1.0 million) and to replace three specialized boats to monitor and test oyster harvest areas to ensure oysters consumed by Texans are free of harmful bacteria, toxins, other contaminants (\$1.5 million).	\$ 2,465,539	\$ 2,465,539						
b. Seat Management Provide funding to maintain devices, including warranty, lease, and software costs for approximately 3,500 desktops, laptops, and tablets.	\$ 2,545,287	\$ 2,545,287			\$ 2,545,287	\$ 2,545,287		
c. Texas Center for Infectious Disease (TCID) Operations Provide funding to cover costs increases for medications, medical resources, food, and utilities at the TCID.	\$ 2,424,173	\$ 2,424,173			\$ 1,212,087	\$ 1,212,087		
					Adopt as Amended: New Rider (See Workgroup Addition #1.)			

Article II, Health and Human Services Department of State Health Services (537) Items Not Included in Bill as Introduced		Outstanding Items for Consideration				Tentative Workgroup Decisions			
		Items Not Included in SB 1 2026-27 Biennial Total		Pended Items 2026-27 Biennial Total		Adopted 2026-27 Biennial Total		Article XI 2026-27 Biennial Total	
		GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
2.	Maintain Agency Infrastructure that Serves Texans and Communities								
a.	Regional Clinic Cost Increases and Space Planning Provide funding and 2.0/2.0 FTEs to cover increasing lease costs across the state and for a facility assessment contractor to determine adequacy of approximately 100 field offices and address maintenance needs at regional facilities.	\$ 9,135,344	\$ 9,135,344			\$ 3,654,138	\$ 3,654,138		
						Adopt as Amended: Fund 40% and No FTEs			
b.	Regional Clinic Cost Increases and Space Planning - Information Technology Provide funding for IT infrastructure support of any newly constructed location which may include cabling, fiber, network, wireless access points, telecom, and to assist with construction plan development and review to ensure adequate placement and IT requirements.	\$ 305,742	\$ 305,742						
c.	Lab Building Maintenance of Critical Infrastructure and Systems Provide funding for increased maintenance costs and required repairs to facilities and for testing equipment at the central and South Texas laboratories.	\$ 2,709,754	\$ 2,709,754			\$ 2,709,754	\$ 2,709,754		

Article II, Health and Human Services Department of State Health Services (537) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 2026-27 Biennial Total		Pended Items 2026-27 Biennial Total		Adopted 2026-27 Biennial Total		Article XI 2026-27 Biennial Total	
	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
d. Texas Center for Infectious Disease (TCID) Deferred Maintenance Provide funding for deferred maintenance needs at TCID including new water main lines, replacement of covered walkways with asbestos, and replacement of patient room control systems and locking systems.	\$ 6,585,000	\$ 6,585,000						
					Add New Rider (See Workgroup Addition #2)			
e. Facility Cost Increases Provide funding for increased lease facility renewal costs for state-owned facilities in Austin.	\$ 3,540,664	\$ 3,540,664			\$ 1,770,332	\$ 1,770,332		
					Adopt as Amended: Fund 50%			
3. Expand Laboratory Capacity and Capability to Detect Risks to Health and Safety								
a. New Laboratory Building Provide funding to build new lab space on the DSHS campus to meet increasing testing demand.	\$ 290,832,698	\$ 290,832,698						
b. New Laboratory Building - Information Technology (IT) Provide funding to support IT infrastructure of newly constructed lab space including cabling, fiber, network, wireless access points, telecom, and assistance with construction plan development and ensuring adequate placement.	\$ 37,500,000	\$ 37,500,000						
c. Maintain Laboratory Staff Provide funding and 38.0/38.0 FTEs to maintain staffing for Newborn Screening and to add capabilities to test for new types of drinking water contaminants.	\$ -	\$ 6,557,102			\$ -	\$ 6,557,102		

Article II, Health and Human Services Department of State Health Services (537) Items Not Included in Bill as Introduced		Outstanding Items for Consideration				Tentative Workgroup Decisions			
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		GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
4.	Improve Child Mortality and Morbidity due to Congenital Syphilis								
a.	Improve Child Mortality and Morbidity due to Congenital Syphilis Provide funding and 24.0/24.0 FTEs to improve child mortality and morbidity due to Congenital Syphilis by increasing provider education, developing a hotline, establishing rapid response regional nurse teams, and creating a public awareness campaign.	\$ 11,413,789	\$ 11,413,789			\$1,919,412	\$ 1,919,412		
						Adopt as Amended: Provide funding for 9.0/9.0 Nurses and associated costs			
b.	Improve Child Mortality and Morbidity due to Congenital Syphilis - Information Technology (IT) Provide funding and 1.0/1.0 FTE for IT services related to combating Congenital Syphilis including hotline and database services.	\$ 1,849,736	\$ 1,849,736						
5.	Ensure Access to Regional and Local Public Health Services								
a.	Sexually Transmitted Disease Provide funding and 44.0/44.0 FTEs to maintain Disease Intervention Services staff primarily housed in local health departments and DSHS regional offices as federal funding ends.	\$ 15,006,644	\$ 27,704,576						
b.	Tuberculosis (TB) Provide funding to support a 30 percent increase in local health department contracts to provide TB care and to cover increased costs of medications and 16.0/16.0 FTEs to provide nurse consultation and direct care services.	\$ 21,191,906	\$ 21,191,906			\$ 10,595,953	\$ 10,595,953		
						Adopt as Amended: Fund 50% and 8.0/8.0 FTEs			

Article II, Health and Human Services Department of State Health Services (537) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 <u>2026-27 Biennial Total</u>		Pended Items <u>2026-27 Biennial Total</u>		Adopted <u>2026-27 Biennial Total</u>		Article XI <u>2026-27 Biennial Total</u>	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
c. Rabies Provide funding and 4.0/4.0 FTEs for central office staff and 10.0/10.0 FTEs for regional staff to expand and oversee rabies program including surveillance and testing, for purchasing additional bait, and to address increases in vaccine, immunoglobulin, and lab costs.	\$ 7,052,392	\$ 7,052,392						
d. Social Services Provide funding to increase retention of social services staff including social workers, program supervisors and specialists, human services specialists, and public health prevention and specialists.	\$ 2,049,556	\$ 4,099,114						
e. Immunizations Provide funding and 8.0/8.0 FTEs for one public health nurse in each DSHS region for vaccine education and administration and for a 30 percent increase in local health department contracts to support immunization administration in communities.	\$ 11,992,656	\$ 11,992,656						
6. Support Growth in Texas Industries and Career Entry								
a. Texas Meat Industry Provide funding and 4.0/10.0 FTEs to bring 146 meat safety staff salaries comparable to federal employees and to increase the number of employees available to provide guidance, assistance, and inspection services.	\$ 5,324,703	\$ 5,324,703						

Article II, Health and Human Services Department of State Health Services (537) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 2026-27 Biennial Total		Pended Items 2026-27 Biennial Total		Adopted 2026-27 Biennial Total		Article XI 2026-27 Biennial Total	
	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
b. Manufactured and Retail Food Industry Provide funding to bring 177 food safety program staff salaries comparable to federal employees to increase employee retention and prevent further increases to inspection frequencies.	\$ 5,459,422	\$ 5,459,422						
c. Licensed Radioactive Material and Device Use Provide funding to bring 98 radiation control program staff salaries comparable to federal employees to increase employee retention.	\$ 2,220,082	\$ 2,220,082						
d. Emergency Medical Services Workforce Provide funding and 4.0/4.0 FTEs to survey, inspect, and investigate EMS personnel, providers, education programs, and first responder organizations.	\$ 942,781	\$ 942,781						
e. Community Health Workers Provide funding and 3.0/3.0 FTEs to review Community Health Workers and Community Health Workers instructor applications more quickly.	\$ 657,561	\$ 657,561						

Article II, Health and Human Services Department of State Health Services (537) Items Not Included in Bill as Introduced		Outstanding Items for Consideration				Tentative Workgroup Decisions			
		Items Not Included in SB 1 2026-27 Biennial Total		Pended Items 2026-27 Biennial Total		Adopted 2026-27 Biennial Total		Article XI 2026-27 Biennial Total	
		GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
7.	Reduce the Impacts of Tobacco-Related Cancers Provide funding for a public awareness campaign aimed at adults ages 30-64 who use tobacco to increase and reinforce awareness of harms of tobacco products (\$2.0 million) and to manage anticipated growth in demand for Quitline services with the launch of a statewide campaign aimed at adults ages 30-64 (\$0.8 million).	\$ 2,750,000	\$ 2,750,000						
8.	Increase the Timeliness and Quality of Maternal and Child Health Data								
a.	Maternal Mortality and Morbidity Provide funding to link existing Maternal Child Health data systems and the State Health Analytics Reporting Platform (SHARP), a modern data platform solution that brings DSHS data from various program areas into a common repository.	\$ 1,321,644	\$ 1,321,644			\$ 1,321,644	\$ 1,321,644		
b.	Maternal Mortality and Morbidity - Information Technology (IT) Provide funding for IT to link existing Maternal Child Health data systems and the State Health Analytics Reporting Platform (SHARP).	\$ 8,627,752	\$ 8,627,752			\$ 4,313,876	\$ 4,313,876	Adopt as Amended: Fund 50%	
c.	Birth Defects Registry Surveillance Capacity Provide funding and add 8.0/8.0 FTEs for faster case identification and improvement of registry data review of hospital medical records for potential birth defect cases and to abstract complex medical information.	\$ 1,557,002	\$ 1,557,002			\$ 1,557,002	\$ 1,557,002		

Article II, Health and Human Services Department of State Health Services (537) Items Not Included in Bill as Introduced		Outstanding Items for Consideration				Tentative Workgroup Decisions			
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		GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
9.	Regulatory Automation System (RAS) Replacement								
	a. RAS Replacement Provide funding and add 2.0/2.0 FTEs to modernize technology infrastructure by replacement RAS with an online interface for submitting, reviewing, renewing, and amending licenses and complaints while giving DSHS programs a unified toolkit for managing the licensure and regulatory lifecycle.	\$ 786,975	\$ 786,975						
	b. RAS Replacement - Information Technology (IT) Provide funding and add 3.0/5.0 FTEs to modernize technology infrastructure by replacement RAS with an online interface for submitting, reviewing, renewing, and amending licenses and complaints while giving DSHS programs a unified toolkit for managing the licensure and regulatory lifecycle.	\$ 13,786,659	\$ 13,786,659						
10	Add new rider to allow unexpended balance (UB) authority within and across the biennium for funds in the Emergency Medical Services (EMS) extraordinary emergencies reserve within General Revenue - Dedicated Account No. 5111, Designated Trauma Facilities and EMS. This rider would include a one-time UB from previous years that may have lapsed.								
11	Add new rider to allow unexpended balance (UB) authority from the first year of the biennium to the second year of the biennium across all agency funding.								

Article II, Health and Human Services Department of State Health Services (537) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
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	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
Workgroup Revisions and Additions:								
1. Add new rider directing the agency to maximize reimbursements from third-party payors at Texas Center for Infectious Disease and provide report. See Item 1.c.					Adopted			
2. Add new rider directing the agency to seek federal funding for the purpose of addressing deferred maintenance costs at the Texas Center for Infectious Disease. See Item 2.d.					Adopted			
3. Add contingency rider for Senate Bill 25 or similar legislation related to health and nutrition standards to promote healthy living.							Adopted to Article XI	
4. Increase funding for the spay and neuter pilot program focused on reducing the population of cats and dogs at risk for unplanned breeding that may carry infectious diseases.					\$ 5,000,000	\$ 5,000,000		
Total, Outstanding Items / Tentative Decisions	\$ 465,717,384	\$ 493,340,053	\$ -	\$ -	\$ 30,281,407	\$ 43,156,586	\$ -	\$ -
	FY 2026	FY 2027	FY 2026	FY 2027	FY 2026	FY 2027	FY 2026	FY 2027
Total, Full-time Equivalents / Tentative Decisions	171.0	179.0	0.0	0.0	63.0	63.0	0.0	0.0

Article II, Health and Human Services Health and Human Services Commission (529) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 2026-27 Biennial Total		Pended Items 2026-27 Biennial Total		Adopted 2026-27 Biennial Total		Article XI 2026-27 Biennial Total	
	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
Cost-Out Adjustments:								
1. Decrease Interagency Contracts by \$6,318,077 related to a decrease in General Revenue-Dedicated Account No. 5111, Designated Trauma Facility and EMS, at DSHS to align with the Comptroller's Biennial Revenue Estimate. Increase General Revenue by a like amount. Amend Rider 8, Hospital Payments, to reflect the updated funding source for add-on payments. See DSHS Cost-Out Adjustment #1 and Special Provisions Technical Adjustment #2.	\$ 6,318,077	\$ -			\$ 6,318,077	\$ -		
Technical Adjustments:								
1. Adjust certain items in Rider 2, Capital Budget, to align with 2026-27 recommendations.					Adopted			
2. Remove employee benefits from 2026-27 recommendations.	\$ (1,918,204)	\$ (2,143,378)			\$ (1,918,204)	\$ (2,143,378)		
3. Remove 122.0 full-time-equivalents (FTEs) associated with disaster response that are temporary in nature.					Adopted			
4. Increase funding for Rider 51(d), Informational Listing: Women's Health Funding (Additional Funding for Caseload Growth) related to additional funding for caseload growth in Women's Health Programs.	\$ 10,000,000	\$ 10,000,000			\$ -	\$ -	Adopt as Amended: See Workgroup Addition #1.	

Article II, Health and Human Services Health and Human Services Commission (529) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 2026-27 Biennial Total		Pended Items 2026-27 Biennial Total		Adopted 2026-27 Biennial Total		Article XI 2026-27 Biennial Total	
	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
Agency Requests:								
1. Maintain Client Services Cost Growth								
a. Medicaid, Children's Health Insurance Program (CHIP), and Temporary Assistance for Needy Families (TANF) Funding would address agency projections for client services cost growth in the 2026-27 biennium. SB 1 includes \$74.4 billion for Medicaid Client Services, including waivers, and \$1.1 billion for CHIP Client Services for LBB forecasted caseload growth. Recommendations also include \$48.9 million for LBB forecasted TANF caseloads and grants per recipient.	\$2,842,563,964	\$8,767,164,454						
b. Home and Community-Based Services-Adult Mental Health (HCBS-AMH) Funding would address agency projections for client services cost growth in the 2026-27 biennium. SB 1 includes \$61.7 million for the HCBS-AMH program.	\$ 7,228,558	\$ 15,300,090						
c. Program for All-Inclusive Care for the Elderly (PACE) Estimated Demand Funding would address agency projections for client services demand in the 2026-27 biennium. SB 1 includes \$88.7 million for the PACE program.	\$ 7,118,104	\$ 17,530,116						

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		GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
2.	Support Ongoing Medicaid and CHIP Operations								
a.	Contract Administration and Provider Monitoring (CAPM) Funding would provide additional resources for staff responsible for administration, enrollment, and oversight of Medicaid fee-for-service and waiver services contracts.	\$ 2,671,628	\$ 5,412,914			\$ 2,671,628	\$ 5,412,914		
b.	Financial Reporting and Audit Coordination (FRAC) Funding would provide additional resources for staff responsible for financial oversight of managed care contracts.	\$ 650,440	\$ 1,332,188			\$ 650,440	\$ 1,332,188		
c.	Vendor Drug Program (VDP) Funding would provide additional resources for staff responsible for oversight of Medicaid and CHIP outpatient drug benefits.	\$ 774,278	\$ 2,244,478			\$ 774,278	\$ 2,244,478		
d.	Utilization Review (UR) Funding would provide additional resources for oversight of managed care contractual requirements and provision of medically necessary services.	\$ 844,842	\$ 1,968,346			\$ 844,842	\$ 1,968,346		
e.	Increased License Costs for Forecasting and Rate Setting Funding would support the purchase of software licenses and servers.	\$ 744,364	\$ 1,500,000			\$ 2,856,755	\$ 5,382,818		
						Adopt As Amended: Revised Agency Request			

Article II, Health and Human Services Health and Human Services Commission (529) Items Not Included in Bill as Introduced		Outstanding Items for Consideration				Tentative Workgroup Decisions			
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		GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
3.	Resources to Carry Out the Agency Mission								
a.	Additional Staff Resources (72.0/72.0 FTEs) Funding would provide additional staff to address existing and expanding workloads. Funding would provide additional staff resources across many areas, including contract attorneys, open records, rules, procurement, federal funds analysts, human resources, payroll, and Medicaid program support. <i>Note: System Exceptional Item.</i>	\$ 20,100,155	\$ 25,849,240			\$ 10,050,089	\$ 12,924,638		
						Adopt As Amended: Fund at 50% and 36.0/36.0 FTEs			
b.	Additional Staff Resources in the Information Technology (IT) Space (38.0/38.0 FTEs) Funding would provide additional staff resources in the agency's IT division, including business analysts to support the Centralized Accounting and Payroll/Personnel System (CAPPS), staff to support the Quality Assurance Team (QAT) efforts, contract administrators, procurement support, and help desk staff. <i>Note: System Exceptional Item.</i>	\$ 9,293,987	\$ 12,287,120			\$ 6,868,040	\$ 9,529,995		
						Adopt as Amended: Fund 29.0/29.0 FTEs			
c.	Contract Management Oversight & Support (20.0/20.0 FTEs) Funding would provide additional staff resources focused on contract management oversight and support. <i>Note: System Exceptional Item.</i>	\$ 5,837,646	\$ 7,243,735			\$ 2,918,827	\$ 3,621,874		
						Adopt As Amended: Fund at 50% and 10.0/10.0 FTEs			

Article II, Health and Human Services Health and Human Services Commission (529) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
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	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
d. Community Services (21.0/21.0 FTEs) Funding would provide additional staff resources to fulfill policy, programmatic, contractual, and monitoring requirements related to Intellectual and Developmental Disability (IDD) Habilitative Specialized Services (IHSS). <i>Note: System Exceptional Item.</i>	\$ 1,311,588	\$ 4,921,535			\$ 925,936	\$ 3,703,746		
					Adopt As Amended: Fund 15.0/15.0 FTEs			
4. Compliance with Federal Medicaid Access Rules (141.0/139.0 FTEs) Funding would provide additional resources to comply with federal regulations related to access to care, quality of care, state directed payment programs, and improved health outcomes for Medicaid fee-for-service and managed care services. <i>Note: System Exceptional Item.</i>	\$ 33,086,630	\$ 61,696,716						
					Adopt As Amended: See Workgroup Addition #2			
5. State Initiatives								
a. State Office of Administrative Hearings (SOAH) Attorneys (21.0/21.0 FTEs) Funding would provide additional resources related to SOAH hearings. <i>Note: System Exceptional Item.</i>	\$ 6,555,689	\$ 6,621,597			\$ 1,638,924	\$ 1,655,402		
					Adopt As Amended: Fund at 25% and 5.2/5.2 FTEs			

Article II, Health and Human Services Health and Human Services Commission (529) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
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	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
b. SB 24, 88R (47.0/47.0 FTEs) Funding would sustain staff and operations relating to the implementation of SB 24, including information technology infrastructure need supporting contract oversight for the Family Support Services and HHSC administrative applications, and systems supporting the analytics and evaluation for the Texas Pregnancy and Parenting Supporting Network. <i>Note: System Exceptional Item.</i> SB 1 removed \$19.6 million from All Funds and 43.8/43.8 FTEs as one-time.	\$ 14,031,845	\$ 15,975,542			\$ 3,681,331	\$ 4,236,002		
					<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;"> Adopt As Amended: Fund 13.0/13.0 FTEs </div>			
c. Increase Mental Health Bed Capacity This is a placeholder request to provide funding for operations of mental health facilities that received construction or expansion funding through Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023.	\$ 2	\$ 2			\$ 78,761,524	\$ 78,761,524		
					<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: auto;"> Adopt as Amended: \$770/bed day rate for Dunn and 5% rate increase for certain existing and new capacity. </div>			
d. Children's Mental Health Strategic Plan This is a placeholder request to provide funding related to recommendations included in the Children's Behavioral Health Strategic Plan, submitted by the Statewide Behavioral Health Coordinating Council (SBHCC) in November 2024.	\$ 2	\$ 2						

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	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
e. Family Services Roadmap This is a placeholder request for funding to create a coordinated and integrated system of services and supports for Texas families.	\$ 2	\$ 2			\$ -	\$ -	Adopt As Amended: See Workgroup Addition #3	
6. Protecting Vulnerable Adults and Children from Abuse, Neglect, and Exploitation								
a. Timely Processing of Complaints: Abuse, Neglect, & Exploitation (26.0/26.0 FTEs) Funding would provide additional staffing to manage the current number of complaints and allegations of abuse, neglect, and exploitation in long-term care settings and acute care facilities. <i>Note: System Exceptional Item.</i>	\$ 5,163,998	\$ 5,672,948	Withdrawn by Agency					
b. Address Backlog: Abuse, Neglect, & Exploitation (Home & Community-based Services Waiver) (44.0/44.0 FTEs) Funding would provide additional staff to support the current regulatory workload of Home and Community-based Services waiver, abuse, neglect, and exploitation intake investigations, and program provider surveys. <i>Note: System Exceptional Item.</i>	\$ 9,684,442	\$ 10,438,950		\$ -	\$ 13,448,942	\$ 13,979,727	Adopt as Amended: Agency's revised request and 60.9/60.9 FTEs. See Workgroup Addition #6 & #7.	

Article II, Health and Human Services Health and Human Services Commission (529) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 2026-27 Biennial Total		Pended Items 2026-27 Biennial Total		Adopted 2026-27 Biennial Total		Article XI 2026-27 Biennial Total	
	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
<p>c. Timely Investigations: Abuse, Neglect, & Exploitation (Long-term Care & Acute Care) (30.0/30.0 FTEs)</p> <p>Funding would provide additional staff to support the current regulatory workload of Long-term Care & Acute care facilities, and respond to abuse, neglect, and exploitation allegations in a timely manner.</p> <p><i>Note: System Exceptional Item.</i></p>	\$ 7,312,902	\$ 7,407,057						
	Withdrawn by Agency							
<p>d. Address Backlog: Abuse, Neglect, & Exploitation (Assisted Living Facility, Individualized Skills and Socialization, and Day Activity & Health Services) (18.0/18.0 FTEs)</p> <p>Funding would provide additional staff to support the current regulatory workload of Assisted Living Facilities, Individualized Skills and Socialization facilities, and Day Activity & Health Services facilities; as well as address backlogs of abuse, neglect, and exploitation allegations / investigations and licensure and renewal surveys</p> <p><i>Note: System Exceptional Item.</i></p>	\$ 4,163,053	\$ 4,219,545			\$ 4,813,983	\$ 4,881,001		
	Adopt as Amended: Agency's revised request and 21.0/21.0 FTEs. See Workgroup Addition #6 & #7.							
<p>e. Address Growth of State Hospital Regulatory Reviews (4.0/4.0 FTEs)</p> <p>Funding would provide additional staffing to support the current and projected workload of abuse, neglect, and exploitation (ANE) investigations at state hospitals and address backlog of state hospital ANE intakes.</p> <p><i>Note: System Exceptional Item.</i></p>	\$ 959,638	\$ 972,193			\$ 959,638	\$ 972,193		

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	Items Not Included in SB 1 2026-27 Biennial Total		Pended Items 2026-27 Biennial Total		Adopted 2026-27 Biennial Total		Article XI 2026-27 Biennial Total	
	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
f. Address Backlog: Employee Misconduct Registry (16.0/16.0 FTEs) Funding would provide additional staff to support Regulatory Enforcement resolve a backlog in processing enforcement actions, completing informal reviews, and processing of referrals, including referrals to the Employee Misconduct Registry (EMR). <i>Note: System Exceptional Item.</i>	\$ 4,028,847	\$ 4,079,063			\$ 5,599,124	\$ 5,673,088		
					<div style="border: 1px solid black; padding: 5px;"> Adopt as Amended: Agency's revised request and 24.0/24.0 FTEs. See Workgroup Addition #6 & #7. </div>			
7. Reduce Medicaid Interest Lists								
a. Reduce Medicaid Waiver Interest List (9.0/17.0 FTEs) Funding would provide additional waiver program slots and additional staff to support the proposed new enrollments. <i>Note: System Exceptional Item.</i>	\$ 29,393,388	\$ 71,964,470			\$ 29,393,388	\$ 71,964,470		
b. Capacity to Avoid Nursing Facility Stays for Children (0.0/1.0 FTEs) Funding would support diversion slots for the Medically Dependent Children Program (MDCP) for certain children to bypass the interest list without being required to enter a nursing facility first. <i>Note: System Exceptional Item.</i>	\$ 5,833,172	\$ 14,256,626			\$ 2,916,586	\$ 7,128,313		
					<div style="border: 1px solid black; padding: 5px;"> Adopt As Amended: Fund at 50% and 0.0/0.5 FTEs </div>			

Article II, Health and Human Services Health and Human Services Commission (529) Items Not Included in Bill as Introduced		Outstanding Items for Consideration				Tentative Workgroup Decisions			
		Items Not Included in SB 1 2026-27 Biennial Total		Pended Items 2026-27 Biennial Total		Adopted 2026-27 Biennial Total		Article XI 2026-27 Biennial Total	
		GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
8.	Increasing Services for People with Disabilities								
a.	Mental Health Resources for People with Intellectual and Developmental Disabilities (IDD) (3.0/3.0 FTEs) Funding would expand outpatient mental health services for children and adults with IDD to 34 Local Intellectual and Developmental Disability Authorities (LIDDAs). <i>Note: System Exceptional Item.</i>	\$ 14,540,514	\$ 14,564,494			\$ 2,000,000	\$ 2,000,000		
						Adopt As Amended: 5 New Teams			
b.	Address Unmet Needs for the Deaf and Hard of Hearing (1.0/1.0 FTEs) Funding would provide additional staff and resources to serve additional individuals who are deaf, hard of hearing, or deafblind. <i>Note: System Exceptional Item.</i>	\$ 2,786,507	\$ 2,789,646						

Article II, Health and Human Services Health and Human Services Commission (529) Items Not Included in Bill as Introduced		Outstanding Items for Consideration				Tentative Workgroup Decisions			
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		GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
9.	Client Safety in State Operated Facilities								
a.	<p>Ensure Client Safety - Video Surveillance Re-procurement (6.0/6.0 FTEs)</p> <p>Funding would provide resources for the procurement of a contract for video surveillance support and health monitoring services.</p> <p><i>Note: System Exceptional Item.</i></p>	\$ 15,159,185	\$ 15,226,778			\$ 7,579,595	\$ 7,613,393		
						Adopt As Amended: Fund at 50% and 3.0/3.0 FTEs			
b.	<p>Secure Safety Systems (10.0/10.0 FTEs)</p> <p>Funding would replace and upgrade network routers, switches, wireless access points, and uninterruptible power supplies. Funding would also address ZeroTrust, which helps prevent unauthorized access to data and services.</p> <p><i>Note: System Exceptional Item.</i></p>	\$ 11,342,110	\$ 11,664,370						
c.	<p>Restore Funding for Inflationary Costs</p> <p>Funding would maintain appropriations provided in HHSC Rider 108, One-time Funding for Facility Inflationary Costs, 2024-25 General Appropriations Act (GAA) for facility-related inflationary costs.</p> <p>SB 1 removed the funding as one-time.</p>	\$ 14,970,346	\$ 14,970,346			\$ 7,687,350	\$ 7,687,350		
						Adopt as Amended: Fully fund bed day rate. Adopt state-owned facilities at 50%.			

Article II, Health and Human Services Health and Human Services Commission (529) Items Not Included in Bill as Introduced		Outstanding Items for Consideration				Tentative Workgroup Decisions			
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		GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
10.	Ensure Delivery of Client Services								
	a. Seat Management Funding would provide for seat management equipment. <i>Note: System Exceptional Item.</i>	\$ 15,231,618	\$ 22,939,875			\$ 15,231,618	\$ 22,939,875		
	b. Data Center Services (DCS) Costs This is a placeholder request related to shared technology services provided by the Department of Information Resources (DIR).	\$ 2	\$ 2			\$ 21,744,357	\$ 25,392,921		
	c. System of Contract Operation and Reporting (SCOR) Enhancements (Phase II) (10.0/10.0 FTEs) Funding would continue enhancements to SCOR, which is the system of record for contract management. <i>Note: System Exceptional Item.</i>	\$ 7,369,328	\$ 9,607,531			\$ 6,292,741	\$ 8,191,518		
	d. Healthcare Training System (13.0/13.0 FTEs) Funding would provide for a Learning Management System (LMS), which is dedicated software designed to create, distribute, and manage training content effectively. <i>Note: System Exceptional Item.</i>	\$ 8,787,409	\$ 11,100,267						

Article II, Health and Human Services Health and Human Services Commission (529) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 2026-27 Biennial Total		Pended Items 2026-27 Biennial Total		Adopted 2026-27 Biennial Total		Article XI 2026-27 Biennial Total	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
e. Legacy System Modernization (24.0/24.0 FTEs) Funding would modernize a variety of aging IT systems to increase efficiency, streamline operations, and reduce the risk of system failures. <i>Note: System Exceptional Item.</i>	\$ 23,394,955	\$ 23,864,839						
11. Improve Client Outcomes through Data Quality and Reporting								
a. Data Stewardship (11.0/11.0 FTEs) Funding would develop a core group of data quality experts, or data stewards, to assist in making data driven decisions, identify issues in a timely manner, and ensure accurate information is provided to the public. <i>Note: System Exceptional Item.</i>	\$ 4,531,083	\$ 5,856,372			\$ 4,531,083	\$ 5,856,372		
b. Compliance with State and Federal Data Analytic and Reporting Requirements (7.0/7.0 FTEs) Funding would provide additional staff and resources to help the Data, Analytics, and Performance (DAP) area address the current and growing demand and complexity of data requests. <i>Note: System Exceptional Item.</i>	\$ 3,281,431	\$ 4,228,096						

Article II, Health and Human Services Health and Human Services Commission (529) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 2026-27 Biennial Total		Pended Items 2026-27 Biennial Total		Adopted 2026-27 Biennial Total		Article XI 2026-27 Biennial Total	
	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
c. Expand Access to Clinical Data & Transition to Digital Quality Management (9.0/9.0 FTEs) Funding would support development and implementation of a new data exchange system to receive, validate, store, and transmit clinical data from managed care organizations to the External Quality Review Organization (EQRO) and HHSC analytics systems. <i>Note: System Exceptional Item.</i>	\$ 14,776,785	\$ 27,859,081						
Office of Inspector General (OIG) Exceptional Items								
12. OIG Priority 1: Correct General Revenue Shortfall Replace funding that is no longer available due to changes in federal matching rates.	\$ 5,953,254	\$ 5,953,254			\$ 5,953,254	\$ 5,953,254		
13. OIG Priority 2: Improve Employee Recruitment and Retention Funding would provide for targeted salary increases for OIG staff.	\$ 1,297,230	\$ 2,500,000						
14. OIG Priority 3: Modernize Surveillance Utilization Review Technology (2.5/2.5 FTEs) Funding would support procurement of a case management and tracking system for the Surveillance Utilization Review (SUR) unit.	\$ 2,224,645	\$ 3,091,704			\$ 2,224,645	\$ 3,091,704		
15. OIG Priority 4: Financial Support and Collections Processing (6.3/6.3 FTEs) Funding would provide staff to research, process, and manage settlements, fines, and penalties.	\$ 728,521	\$ 1,354,250			\$ 728,521	\$ 1,354,250		

Article II, Health and Human Services Health and Human Services Commission (529) Items Not Included in Bill as Introduced		Outstanding Items for Consideration				Tentative Workgroup Decisions			
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		GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
16.	OIG Priority 5: Increase Audit Staff Resources to Meet Requirements of Texas Government Code 531.1025 (8.4/8.4 FTEs) Funding would provide additional staff to conduct statutorily-required performance audits of each local mental health and behavioral health authority (LMHA/LBHA) at least once every five years.	\$ 1,433,454	\$ 2,274,087			\$ 1,433,454	\$ 2,274,087		
17.	OIG Priority 6: Staff Resources and eDiscovery Software (10.5/10.5 FTEs) Funding would provide additional staff resources in key areas, including Provider Enrollment Integrity Screenings, the State Centers Investigative Team, Data Reviews, and Chief Counsel. Funding would also provide for electronic discovery software to assist the OIG Chief Counsel with case review.	\$ 2,637,370	\$ 4,163,937			\$ 1,318,691	\$ 2,081,979	Adopt As Amended: Fund at 50% and 5.2/5.2 FTEs	
18.	OIG Priority 7: Pay OIG Peace Officers According to Schedule C Funding would allow OIG to pay certain positions according to Schedule C of the Salary Classification Schedule in the General Appropriations Act.	\$ 2,697,822	\$ 2,988,260						
19.	OIG Priority 8: Enhanced Fraud Analytics and Innovative Process Technologies								
a.	Advanced Fraud Analytics (3.0/3.0 FTEs) Funding would provide cloud infrastructure to assist OIG in observing patterns, trends, and anomalies across large data sets.	\$ 2,560,874	\$ 3,566,060			\$ 2,078,837	\$ 2,884,638	Adopt As Amended: Do Not Include FTEs	

Article II, Health and Human Services Health and Human Services Commission (529) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
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	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
b. Intelligent Process Technologies (1.0/1.0 FTEs) Funding would provide robotics process automation capabilities to assist in detection of fraud, waste, and abuse.	\$ 956,969	\$ 1,239,358						
Texas Civil Commitment Office (TCCO) Exceptional Items								
20. TCCO Priority 1: Caseload Growth Funding would provide for an anticipated increase in the number of sexually violent predators (SVPs) who are civilly committed. TCCO expects the number of SVPs to total 602 in fiscal year 2026 and 637 in fiscal year 2027. SB 1 maintained the fiscal year 2025 caseload at 561 SVPs per fiscal year of the 2026-27 biennium.	\$ 5,619,364	\$ 5,619,364			\$ 5,619,364	\$ 5,619,364		
21. TCCO Priority 2: Reinstatement of Client Services Funding Funding would restore a five percent budget reduction from the 2022-23 biennium.	\$ 1,866,691	\$ 1,866,691						
22. TCCO Priority 3: Fiscal Year 2025 Baseline Leveling Funding would maintain agency-projected higher population and cost increases in fiscal year 2025 related to supervision and treatment of SVPs.	\$ 1,698,866	\$ 1,698,866						
	Withdrawn by Agency							

Article II, Health and Human Services Health and Human Services Commission (529) Items Not Included in Bill as Introduced		Outstanding Items for Consideration				Tentative Workgroup Decisions			
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		GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
23.	<p>TCCO Priority 4: Offsite Healthcare Costs</p> <p>Funding would reimburse the Texas Civil Commitment Center (TCCC) vendor for offsite healthcare services provided to SVPs not covered under contract. The current contract covers on-site primary care and the first \$25,000 in offsite healthcare for each SVP.</p> <p>SB 1 includes \$5.4 million in GR for offsite healthcare not covered under contract.</p>	\$ 12,349,696	\$ 12,349,696			\$ 5,000,000	\$ 5,000,000		
						Adopt As Amended: Fund Scaled Amount and Add Rider. See Workgroup Addition #4.			
24.	<p>TCCO Priority 5: Contract Rate Adjustment Costs</p> <p>Funding would increase the per diem rates for contracted services, including a 4.0 percent increase in fiscal year 2026 and a 3.0 percent increase in fiscal year 2027.</p>	\$ 3,037,321	\$ 3,037,321			\$ 3,037,321	\$ 3,037,321		
25.	<p>TCCO Priority 6: Case Manager Career Ladder</p> <p>Funding would provide for an annual salary adjustment equivalent to 3.0 percent of the established salary rate for case managers in good standing that meet all required employment standards.</p>	\$ 115,934	\$ 115,934			\$ 115,934	\$ 115,934		
26.	<p>TCCO Priority 7: High-Risk Pay</p> <p>Funding would provide \$50 in supplemental monthly pay for employees serving SVPs.</p>	\$ 24,360	\$ 24,360			\$ 24,360	\$ 24,360		
27.	<p>TCCO Priority 8: Vehicle Replacements</p> <p>Funding would replace two vehicles exceeding the Comptroller's Texas State Vehicle Fleet Management Plan replacement guidelines.</p>	\$ 60,164	\$ 60,164						

Article II, Health and Human Services Health and Human Services Commission (529) Items Not Included in Bill as Introduced		Outstanding Items for Consideration				Tentative Workgroup Decisions			
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		GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
28.	TCCO Priority 9: Client Dental Services Funding would provide new dental prevention services to SVPs.	\$ 219,695	\$ 219,695						
29.	TCCO Priority 10: Microsoft O365 License Upgrade Funding would upgrade Microsoft products from Microsoft Office 2016 to Microsoft 365 licensing.	\$ 43,002	\$ 43,002			\$ 43,002	\$ 43,002		
Agency Rider Requests									
MEDICAID									
1.	Amend Rider 4, Cash Basis Expenditures Authorization, to allow cash-basis accounting for expenditures from Strategy D.2.3, Behavioral Health Waiver & Amendment.					Adopted			
2.	Amend Rider 6, Medicaid Enterprise Systems (MES), to permit expenditures in excess of Rider 2, Capital Budget, listings for the Medicaid Management Information System (MMIS) and MMIS Modernization projects with notification only. Currently the agency is required to submit requests for approval.								
FACILITIES									
3.	Amend Rider 87, On-Call Pay, to add Regulatory Services staff to compensation for on-call time at certain rates.					Adopted			
TRANSFERS									
4.	Replace Rider 108, Limitations on Transfer Authority, with streamlined language.								
5.	Amend Rider 115, Disposition of Appropriation Transfers from State-owned Hospitals, to exclude state-owned teaching hospitals.								

Article II, Health and Human Services Health and Human Services Commission (529) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
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	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
NEW RIDERS								
6. Add new rider, Establishment of Additional PACE Sites, to authorize HHSC to establish up to three new Program for All-Inclusive Care for the Elderly (PACE) sites beginning in fiscal year 2026.								
7. Add new rider, Childcare Development Center, to allow HHSC to utilize up to \$20.0 million in certain Medicaid Program Income to contract with Texas Facilities Center to build a childcare development center at the Winters building parking lot in Austin.					Adopted as Amended: Provide intent that the center's services will also be available for state staff who do not work for Article II agencies			
8. Add new rider, CAPPs Accounts Receivable Module, to allow HHSC to utilize up to \$11.5 million in certain Medicaid Program Income to develop a CAPPs module to replace the existing Accounts Receivable Tracking System (ARTS).					Adopted			
9. Add new rider, Montgomery County Mental Health Treatment Facility, to allow for appropriations to reimburse Montgomery County for administrative fees related to the Montgomery County Mental Health Treatment Facility, including bond debt.					Adopt as Amended: Provide direction on reimbursement only			
10. Add new rider, Unexpended Balance Authority for Certain Capital Projects, to allow for the transfer of unexpended balances related to one-time construction of buildings and facilities, repairs and rehabilitation of buildings and other facilities, and one-time acquisition of information technology resources from fiscal year 2025 to fiscal year 2026. <i>Note: Similar request made for DFPS and DSHS (see Special Provisions, Agency Request #1).</i>					Adopt as Amended: Provide unexpended balance authority for certain construction projects			

Article II, Health and Human Services Health and Human Services Commission (529) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 2026-27 Biennial Total		Pended Items 2026-27 Biennial Total		Adopted 2026-27 Biennial Total		Article XI 2026-27 Biennial Total	
	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
11. Add new rider, IDD Habilitative Specialized Services, to allow HHSC to transfer up to \$1.0 million from Medicaid Client Services and provide additional authority for 11.0 FTEs in fiscal year 2026 and 21.0 FTEs in fiscal year 2027 for the implementation and oversight of the Intellectual and Developmental Disability (IDD) Habilitative Specialized Services (IHSS) program.								
Workgroup Revisions and Additions:								
1. Maintain Women's Health Funding for Healthy Texas Women, Family Planning Program, and Caseload Growth at 2024-25 levels.					\$ 70,178,238	\$ 156,516,338		
2. Add a new rider to provide authority to transfer additional funding to implement Medicaid Access regulations. In the event that the rules are repealed, direct the agency to reverse the transfer or lapse the funding. See Item #4.					Adopted			
3. Add funding for the Thriving Texas Families program, including restoration of \$25.0 million in General Revenue originally appropriated in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023. See Items #5.e.					\$ 40,000,000	\$ 40,000,000		
4. Add a new rider to require the Health and Human Services Commission to provide recommendations to reduce offsite healthcare at TCCO. See Items #23.					Adopted			
5. Reinstate HHSC Rider 4, Cost Comparison Report, 2024-25 GAA, to require the agency to report on the average cost to the state per individual served in residential and nonresidential services.					Adopted			
6. Adopt indirect administration funding and 2.0/2.0 FTEs associated with Exceptional Item #6, Protecting Vulnerable Adults and Children from Abuse, Neglect, and Exploitation.					\$ 984,554	\$ 1,020,240		

Article II, Health and Human Services Health and Human Services Commission (529) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 2026-27 Biennial Total		Pended Items 2026-27 Biennial Total		Adopted 2026-27 Biennial Total		Article XI 2026-27 Biennial Total	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
7. Add new rider to specify that certain appropriations to assist with the backlog in Exceptional Item #6 are one-time in nature.					Adopted			
8. Amend HHSC Rider 23, Base Wage Increase for Personal Attendant Services, to increase the base wage to \$12.44 an hour; increase the associated payroll costs, taxes, and benefits percentage to 14.0 percent; increase the associated administrative rate by \$0.24 an hour; and provide direction to discontinue attendant compensation rate enhancement programs. Include a reporting requirement on provider cost reports.					\$ (9,080,509)	\$ 58,314,239		
9. Amend HHSC Rider 67, Rural Hospital Grant Program, to increase funding appropriated to the program. Include additional direction on intended purposes of the grants and the grant application process.					\$ 25,000,000	\$ 25,000,000		
10. Add new rider to require reporting on Medicaid long-term care provider financial and fair market value data.					Adopted			
11. Add new rider to direct the agency to achieve savings throughout the health and human services system.					\$(550,000,000)	\$(550,000,000)		
12. Increase the Office of Inspector General's Total Dollars Recovered (Millions) performance measure target from \$393 million per fiscal year to \$500 million per fiscal year.					Adopted			
13. Add funding and amend rider to allow HHSC to provide a 10.0 percent increase in salary for any direct support and client facing staff at the state supported living centers who interact with residents in designated maximum security units or behavioral health management units. Allow for the salary increase to be provided regardless of time of interaction.					\$ 2,347,140	\$ 5,843,744		

Article II, Health and Human Services Health and Human Services Commission (529) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 2026-27 Biennial Total		Pended Items 2026-27 Biennial Total		Adopted 2026-27 Biennial Total		Article XI 2026-27 Biennial Total	
	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
14. Add funding and 280.0/280.0 FTEs to allow HHSC to operate a residential treatment facility for youth in DFPS conservatorship with high acuity behavioral health needs and/or IDD conditions. Includes \$27.3 million in additional General Revenue and a reallocation of \$7.0 million in General Revenue from DFPS for this purpose. See DFPS Workgroup Addition #4 and Special Provisions Workgroup Addition #1.					\$ 34,301,553	\$ 34,304,553		
15. Amend HHSC Rider 39, Informational Listing: Community Mental Health Hospital Beds, to identify appropriations for the University of Texas Health Science Center at Tyler. Make other conforming changes.					Adopted			
Total, Outstanding Items / Tentative Decisions	\$ 3,215,449,542	\$ 9,290,753,251	\$ -	\$ -	\$ (119,450,749)	\$ 115,389,775	\$ -	\$ -
	FY 2026	FY 2027	FY 2026	FY 2027	FY 2026	FY 2027	FY 2026	FY 2027
Total, Full-time Equivalent / Tentative Decisions	510.7	517.7	0.0	0.0	431.5	440.0	0.0	0.0

Article II, Health and Human Services Special Provisions Relating to All Health and Human Services Agencies (S02) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 2026-27 Biennial Total		Pended Items 2026-27 Biennial Total		Adopted 2026-27 Biennial Total		Article XI 2026-27 Biennial Total	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
Technical Adjustments:								
1. Amend Sec. 4, Federal Match Assumptions and Limitations on Use of Available General Revenue Funds, to update federal medical assistance percentages (FMAPs) and enhanced FMAPs (EFMAPs) with actuals for federal and state fiscal year 2026. Final conforming changes to related funding levels will be made during Conference.					Adopted			
2. Amend Section 15, Use of Trauma Fund Receipts, to decrease General Revenue-Dedicated Account No. 5111, Designated Trauma Facility and EMS, appropriations at DSHS by \$6,318,077 and decrease the Interagency Contract with HHSC by a like amount. See DSHS Cost-Out Adjustment #1 and HHSC Cost-Out Adjustment #1.					Adopted			
Agency Requests:								
1. Add new rider, Unexpended Balance Authority for Certain Capital Projects, to allow for the transfer of unexpended balances related to one-time construction of buildings and facilities, repairs and rehabilitation of buildings and other facilities, and one-time acquisition of information technology resources used to support system support services billings from fiscal year 2025 to fiscal year 2026. Would apply to DSHS and DFPS. Requested by DFPS.								
2. Amend Sec. 2, Salary Differentials, to allow Regulatory Services staff at HHSC to be paid an evening, night, or weekend shift salary differential. Requested by HHSC.					Adopted			

Article II, Health and Human Services Special Provisions Relating to All Health and Human Services Agencies (S02) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions				
	Items Not Included in SB 1 2026-27 Biennial Total		Pended Items 2026-27 Biennial Total		Adopted 2026-27 Biennial Total		Article XI 2026-27 Biennial Total		
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	
3. Amend Sec. 6, Limitations on Transfer Authority, to add a 30-business day time clock related to transfer requests among Article II agencies. Requested by HHSC.									
4. Amend Sec. 8, Caseload and Expenditure Reporting Requirements, to clarify that TCCO is the entity responsible for submitting quarterly projections on caseloads and related expenditures related to offsite healthcare. Requested by HHSC.					Adopted				
5. Amend Sec. 9, System Support Services, to allow for broader transfer authority from HHSC appropriations to DFPS and DSHS related to system support services. Requested by HHSC.					Adopted				
6. Amend Sec. 24, Federal Funds Requirements, to add a 30-business day time clock related to Article II agency requests to increase the state's maintenance of effort (MOE) requirement for any federal grant. Requested by HHSC.									
Workgroup Revisions and Additions:									
1. Add new rider to require HHSC to establish a residential treatment facility dedicated to serving youth in DFPS conservatorship. See also DFPS Workgroup Revision and Addition #4 and HHSC Workgroup Revision and Addition #14.					Adopted				
2. Add new rider to require all health and human services agencies to report on no-cost contracts and interagency contracts with institutions of higher education on a quarterly basis.					Adopted				
Total, Outstanding Items / Tentative Decisions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	FY 2026	FY 2027	FY 2026	FY 2027	FY 2026	FY 2027	FY 2026	FY 2027	

Article II, Health and Human Services Special Provisions Relating to All Health and Human Services Agencies (S02) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Workgroup Decisions			
	Items Not Included in SB 1 <u>2026-27 Biennial Total</u>		Pended Items <u>2026-27 Biennial Total</u>		Adopted <u>2026-27 Biennial Total</u>		Article XI <u>2026-27 Biennial Total</u>	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
Total, Full-time Equivalents / Tentative Decisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

By: _____

Department of Family and Protective Services, Article II
Proposed Funding and Rider
Community-based Care

Prepared by LBB Staff, 03/11/2025

Overview

The revised rider would move related reporting requirements for Community-based Care into one rider from Riders 22, Rate Listing and Limitations and 25, Limitations: Community-based Care.

Required Action

On page II-10 of the Department of Family and Protective Services bill pattern, amend the following rider:

_____. **Community-based Care.** Out of funds appropriated above to the Department of Family and Protective Services (DFPS) in Strategy B.1.2, CPS Program Support, and the Office of Community-based Care (CBC) Transition in Strategy F.1.1, Office of CBC Transition, the agency and the office shall:

- (a) Report selected performance measures identified by the Legislative Budget Board that will allow for comparative analysis between the legacy foster care and the CBC systems. The report shall be prepared in a format specified by the Legislative Budget Board and shall be submitted March 31 and September 30 of each year. The report shall be provided to the Legislative Budget Board, the Governor, the House Committee on Appropriations, the Senate Committee on Finance, the House Committee on Human Services, the Senate Committee on Health and Human Services, and any standing Joint Legislative Oversight Committees, as appropriate. The report shall also be posted on the agency's webpage in order to ensure transparency with stakeholders. The report shall contain: the most recent data for the selected comparative performance measures, an analysis of the data that identifies trends and related impact occurring in the CBC system, identification and analysis of factors negatively impacting any outcomes, recommendations to address problems identified from the data, and any other information necessary to determine the status of the CBC system.
- (b) Ensure that all tasks, related FTEs, and associated funding to be transferred from DFPS to a Single Source Continuum Contractor (SSCC) are clearly identified and agreed upon by DFPS, the Office of CBC Transition, and the SSCC prior to each subsequent rollout.
- (c) DFPS shall report actual expenditures for each Catchment Area by strategy, stage, purpose, and method of finance by March 31 and September 30 of each year to the Legislative Budget Board and the Governor.
- (d) The Office of CBC Transition shall report by March 31 and September 30 of each fiscal year the blended and exceptional rate in each region where CBC is implemented. The report shall be provided to the Senate Finance Committee, the House Committee on Appropriations, the Legislative Budget Board, and the Governor.

By: _____

Department of Family and Protective Services, Article II
Proposed Funding and Rider
Kinship Family Support

Prepared by LBB Staff, 03/08/2025

Overview

This rider would direct the Department of Family and Protective Services to conduct a report on funding utilization and outcomes for children receiving kinship family support services.

Required Action

On page II-XX of the Department of Family and Protective Services bill pattern, add the following rider:

_____. **Kinship Family Support.** No later than November 1, 2026, the Department of Family and Protective Services (DFPS) shall report on the utilization of funding provided for kinship family support for children with behavioral health needs in the three new Regions, 3E, 4, and 5. DFPS shall also include outcomes of the children who received the kinship family support services including but not limited to, the number of children and families who received services, and the types of services they received.

The report shall be provided to the Legislative Budget Board, the Governor, the Chair of the House Appropriations Committee, the Chair of the Senate Finance Committee, Speaker of the House, Lieutenant Governor, and the permanent standing committees in the House of Representatives and the Senate with jurisdiction over health and human services.

By: _____

Department of Family and Protective Services, Article II
Proposed Funding and Rider
Lease Site Replacement

Prepared by LBB Staff, 03/08/2025

Overview

The rider would make appropriations for lease replacement one-time and contingent upon the Department of Family and Protective Services securing a new office site.

Required Action

On page II-XX of the Department of Family and Protective Services bill pattern, add the following rider:

- _____. **Lease Site Replacement.** Included in amounts appropriated above to the Department of Family and Protective Services (DFPS) in Strategies D.1.1, Central Administration, and D.1.4, IT Program Support, is one-time funding of \$9,600,000 from the General Revenue Fund (\$10,240,765 from All Funds) in fiscal year 2026 and \$2,400,000 from the General Fund (\$2,560,191 from All Funds) in fiscal year 2027 contingent upon DFPS securing a new office site to replace the San Antonio Pickwell office.

By: _____

Department of State Health Services
Proposed Rider
Texas Center for Infectious Disease Reimbursements

Prepared by LBB Staff, 3/5/25

Overview

Add rider to require the Department of State Health Services to encourage reimbursements for services rendered at the Texas Center for Infectious Disease and provide a report to detail how funding is utilized once reimbursements occur.

Required Action

On page II-XX of the Department of State Health Services bill pattern, add the following rider:

- _____. **Texas Center for Infectious Disease Reimbursements.** It is the intent of the Legislature that the Texas Center for Infectious Disease (TCID) maximize insurance reimbursements for services provided. The Department of State Health Services shall provide a report to the Legislative Budget Board no later than September 30, 2026. The report shall include the following information:
- (a) TCID reimbursement amounts across all categories, including but not limited to, private pay and health insurance, Medicaid reimbursements, or any other method of payment; and the accounts that those funds are deposited into;
 - (b) the number of out-of-state patients that TCID serves, and explanation of how out-of-state patient expenditures are reimbursed at TCID; and
 - (c) utilization of reimbursements for services rendered which details activities and expenditures reimbursements pay for across TCID.

By: _____

Department of State Health Services
Proposed Rider
Texas Center for Infectious Disease Deferred Maintenance

Prepared by LBB Staff, 03/07/25

Overview

Add rider to direct the Department of State Health Services to utilize any available federal funding, including but not limited to COVID-19 federal funding, for Texas Centers for Infectious Disease Deferred Maintenance needs.

Required Action

On page II-XX of the Department of State Health Services bill pattern, add the following rider:

_____. **Texas Center for Infectious Disease Deferred Maintenance.** It is the intent of the Legislature that the Department of State Health Services shall utilize any available federal funding including, but not limited to, COVID-19 related federal funding, for deferred maintenance needs at the Texas Center for Infectious Disease.

By: Senator Kolkhorst

**Department of State Health Services
Proposed Funding and Rider
Contingency for Senate Bill 25**

Prepared by LBB Staff, 3/9/2025

Overview

Add a rider contingent upon passage of Senate Bill 25, Eighty-ninth Legislature, Regular Session, 2025.

Required Action

1. On page II-XX of the Department of State Health Services bill pattern, increase appropriations in Strategy C.1.1, Food (Meat) and Drug Safety by \$1,799,075 in fiscal year 2026 and \$2,185,074 in fiscal year 2027.
2. On page II-XX of the Department of State Health Services bill pattern, increase the FTE cap by 18.0 FTEs in each year of the biennium.
3. On page II-XX of the Department of State Health Services bill pattern, add the following rider:

_____ **Contingency for Senate Bill 25. Contingent upon the enactment of Senate Bill 25, or similar legislation relating to health and nutrition standards to promote healthy activities and choices, by the Eighty-ninth Legislature, Regular Session, 2025, included in amounts appropriated above to the Department of State Health Services is \$1,799,075 from the General Revenue Fund in Strategy C.1.1, Food (Meat) and Drug Safety for fiscal year 2026, and \$2,185,074 from the General Revenue Fund in Strategy C.1.1, Food (Meat) and Drug Safety for fiscal year 2027, to implement the provisions of the legislation. Additionally, the “Number of Full-Time-Equivalents (FTE)” is increased by 18.0 in each fiscal year of the agency’s bill pattern.**

By: _____

Health and Human Services Commission, Article II
Proposed Rider
Agency Request: Rider 4, Cash Basis Expenditures Authorization

Prepared by LBB Staff, 3/2/25

Overview

Health and Human Services Commission request to expand programs authorized to use cash basis accounting.

Required Action

On page II-56 of the Health and Human Services Commission bill pattern, amend the following rider:

- 4. Cash Basis Expenditures Authorization.** Notwithstanding any other provision of this Act, the Health and Human Services Commission may expend Medicaid appropriations in all Strategies in Goal A, Medicaid Client Services, ~~and in Strategy D.1.3, ECI Services, and Strategy D.2.3, Behavioral Hlth Waiver & Amendment,~~ in each fiscal year without regard to date of service. The authorization is limited to expenditures in all Strategies in Goal A, Medicaid Client Services, ~~and in Strategy D.1.3, ECI Services, and Strategy D.2.3, Behavioral Hlth Waiver & Amendment,~~ for claims payments, premiums, cost settlements and other related expenses for Medicaid client services.

By: _____

Health and Human Services Commission, Article II

Proposed Rider

Agency Request: Rider 87, On-Call Pay

Prepared by LBB Staff, 3/2/25

Overview

Health and Human Services Commission request to allow compensation for on-call time for certain employees.

Required Action

On page II-92 of the Health and Human Services Commission bill pattern, amend the following rider:

- 87. On-Call Pay.** It is expressly provided that the Health and Human Services Commission, to the extent permitted by law, may pay compensation for on-call time for employees at mental health state hospitals and state supported living centers, and personnel in the Regulatory Services Division at the following rates: credit for one hour of base pay worked for each day of on-call during the normal work week, and two hours of base pay worked for each day of on-call during a weekend and on holidays. This credit shall be in addition to actual hours worked during normal duty hours and actual hours worked during on-call status. For employees subject to the Fair Labor Standards Act (FLSA), an hour of on-call service shall be considered to be an hour worked during the week for purposes of the FLSA only to the extent required by federal law.

By: _____

Health and Human Services Commission, Article II
Proposed Rider
Agency Request: Childcare Development Center

Prepared by LBB Staff, 3/11/25

Overview

Health and Human Services Commission request to utilize certain Medicaid Program Income to contract with Texas Facilities Commission for construction of a childcare development center in Austin, Texas. Adopt as amended to specify intent that the center's services will also be made available for non-health and human service agency state staff.

Required Action

On page II-XX of the Health and Human Services Commission bill pattern, add the following rider:

XX. **Childcare Development Center.** Notwithstanding the limitations of Rider 16, Use of Certain Additional Medicaid Revenues, Section (b); Rider 108, Limitations on Transfer Authority; Article II, Special Provisions Section 6, Limitations on Transfer Authority; Article IX, Section 14.01, Appropriations Transfers; and Article IX, Section 14.03, Transfers – Capital Budget, the Health and Human Services Commission (HHSC) may transfer funds from Strategy A.1.1, Medicaid Client Services, to Strategy L.2.2, Regional Program Support, subject to the following limitations:

- (a) HHSC may only transfer up to \$20,000,000 for the 2026-27 biennium in Medicaid Program Income No. 705 as defined in Rider 16, Use of Certain Additional Medicaid Revenues, Subsection (a)(1);
- (b) Transferred funds shall only be used to contract with the Texas Facilities Commission (TFC) to build and equip a Childcare Development Center (CDC) in the HHSC John H. Winters Building parking lot to support the HHSC North Austin Complex, and to separately contract with an expert in project management and childcare consulting services;
- (c) Transferred funds may be transferred to a new capital budget item not present in the agency's bill pattern to implement the CDC project;
- (d) Once complete, the CDC shall be operated by the University of Texas with oversight provided by HHSC in collaboration with TFC; and
- (e) HHSC shall provide written notification of any transfer to the Legislative Budget Board and the Governor's Office within 30 calendar days of making a transfer.

Once the CDC is in operations, is the intent of the Legislature that the CDC's services will be available for state employees regardless of employment at health and human services agencies.

By: _____

Health and Human Services Commission, Article II
Proposed Rider
Agency Request: ARTS to CAPPS Migration

Prepared by LBB Staff, 3/2/25

Overview

Health and Human Services Commission request to utilize certain Medicaid Program Income develop a Centralized Accounting Payroll/Personnel System (CAPPS) accounts receivable module to replace the existing Accounts Receivable Tracking System (ARTS), including full-time-equivalent authority.

Required Action

On page II-XX of the Health and Human Services Commission bill pattern, add the following rider:

XX. **CAPPS Accounts Receivable Module.** Notwithstanding the limitations of Rider 16, Use of Certain Additional Medicaid Revenues, Section (b); Rider 108, Limitations on Transfer Authority; Article II, Special Provisions Section 6, Limitations on Transfer Authority; Article IX, Section 14.01, Appropriations Transfers; and Article IX, Section 14.03, Transfers – Capital Budget, the Health and Human Services Commission (HHSC) may transfer funds from Strategy A.1.1, Medicaid Client Services, to Strategy L.1.2, IT Oversight & Program Support, subject to the following limitations:

- (a) HHSC may only transfer up to \$11,482,662 for the 2026-27 biennium in Medicaid Program Income No. 705 as defined in Rider 16, Use of Certain Additional Medicaid Revenues, Subsection (a)(1);
- (b) Transferred funds shall only be used for the development of a Centralized Accounting Payroll/Personnel System (CAPPS) accounts receivable module to replace the existing Accounts Receivable Tracking System (ARTS);
- (c) Transferred funds and any matching federal funds may be transferred to a new capital budget item not present in the agency's bill pattern to implement the CAPPS accounts receivable model;
- (d) Notwithstanding the limitations in Article IX, Sec. 6.10, Limitations on State Employment Levels, HHSC may increase the “Number of Full-Time-Equivalents (FTE)” appropriated above by 25.2 FTEs in fiscal year 2026 and 26.3 FTEs in fiscal year 2027 to address staffing needs related to implementing the CAPPS Accounts Receivable Module; and
- (e) HHSC shall provide written notification of any transfer to the Legislative Budget Board and the Governor’s Office within 30 calendar days of making a transfer.

By: _____

Health and Human Services Commission, Article II
Proposed Rider
Agency Request: Montgomery County Treatment Facility

Prepared by LBB Staff, 3/10/25

Overview

Health and Human Services Commission request to state authorization for reimbursement of bond debt interest related to the Montgomery County Mental Health Treatment Facility. Amend requested agency language to provide direction on reimbursement only.

Required Action

On page II-XX of the Health and Human Services Commission bill pattern, add the following rider:

XX. Montgomery County Mental Health Treatment Facility Appropriations made in this Act for the Health and Human Services Commission (HHSC) to contract for competency restoration beds at Montgomery County Mental Health Treatment Facility not otherwise restricted in use may also be expended by Montgomery County to pay necessary administrative fees, including the cost of bond debt accrued for the original construction of the facility.

By: _____

Health and Human Services Commission, Article II
Proposed Rider
Agency Request: Unexpended Balance Authority for Capital Projects

Prepared by LBB Staff, 3/10/25

Overview

Health and Human Services Commission request to provide the authority to transfer unexpended balances for certain capital projects from fiscal year 2025 to fiscal year 2026. Amend to allow authority for certain construction projects originally appropriated in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, including:

- Rio Grande Valley, Montgomery, and Victoria County construction grant programs; and
- Beaumont Baptist Hospital construction;

Required Action

On page II-XX of the Health and Human Services Commission bill pattern, add the following rider:

XX. **Unexpended Balance Authority for Certain Capital Projects.** Unexpended balances for certain capital budget projects remaining as of August 31, 2025 (estimated to be \$0) are appropriated for the same purpose for the fiscal year beginning September 1, 2025. This Section applies to each project requiring capital expenditures for:

- (a) one-time construction of buildings and facilities as described in Article IX, Section 14.03, Subsection (a)(1)(B); and
- (b) repairs and rehabilitations of buildings or other facilities as described in Article IX, Section 14.03, Subsection (a)(1)(C), exceeding \$5,000,000.

Health and Human Services Commission, Article II
Proposed Rider
Contingent Transfer Authority for Certain Federal Medicaid Access Regulations

Prepared by LBB Staff, 03/06/25

Overview

Add a rider providing authority for the Health and Human Services Commission to transfer funding and increase FTEs, contingent on the continuation of certain federal regulations related to Medicaid access.

Required Action

1. On page II-XX of the Health and Human Services Commission bill pattern, add the following rider:

_____ **Contingent Transfer Authority for Certain Federal Medicaid Access Regulations.**

- (a) Notwithstanding the limitations of Health and Human Services Commission (HHSC) Rider 108, Limitations on Transfer Authority; and Article IX, Section 14.01, Appropriation Transfers; HHSC may transfer the following amounts from Strategy A.1.1, Medicaid Client Services, to Strategy B.1.1, Medicaid & CHIP Contracts & Administration, Strategy H.1.1, Health Care Facilities & Community-based Regulation, and Goal L, System Oversight & Program Support, as needed to implement federal Medicaid access regulations adopted on April 22, 2024, related to reimbursement rate transparency in fee-for-service and managed care, direct care staff spending requirements, public input processes for provider payment rates, and directed payment program spending analyses and limitations:
 - (1) \$17,158,750 from the General Revenue Fund and \$14,682,194 from Federal Funds (\$31,840,944 from All Funds) in fiscal year 2026, and
 - (2) \$15,927,880 from the General Revenue Fund and \$13,927,892 from Federal Funds (\$29,855,772 from All Funds) in fiscal year 2027.
- (b) Notwithstanding HHSC Rider 108, Limitations on Transfer Authority; Article IX, Section 6.10 Limitations on State Employment Levels; and Article IX, Section 14.03, Transfers – Capital Budget; HHSC may increase the “Number of Full-Time Equivalents (FTEs)” by 141.0 FTEs in fiscal year 2026 and by 139.0 FTEs in fiscal year 2027 and the capital budget authority at HHSC to implement the provisions of this rider.
- (c) HHSC shall notify the Legislative Budget Board and the Office of the Governor 30 business days prior to the effective date of the transfers referenced in subsection (a) and subsection (b) or upon notification of the rules being repealed.
- (d) HHSC shall not transfer funds pursuant to subsection (a) or increase the “Number of Full-Time Equivalents” or capital budget authority pursuant to subsection (b) if the federal Medicaid regulations do not necessitate the implementation of the requirements described in the federal regulations as adopted on April 22, 2024.
- (e) In the event of a transfer in fiscal year 2026, any unexpended balances remaining as of August 31, 2026, are appropriated for the fiscal year beginning September 1, 2026. Any part of the appropriation that is not necessary for that purpose described in subsection (a) shall be lapsed or transferred back to Strategy A.1.1, Medicaid Client Services, and any FTEs and capital budget authority added pursuant to subsection (b) shall be reversed.

By: _____

Health and Human Services Commission, Article II
Proposed Rider
Texas Civil Commitment Office Offsite Healthcare Study

Prepared by LBB Staff, 03/08/25

Overview

Add a rider requiring the Health and Human Services Commission to evaluate ways to reduce costs associated with offsite healthcare at the Texas Civil Commitment Office.

Required Action

On page II-XX of the Health and Human Services Commission bill pattern, add the following rider:

_____. **Offsite Healthcare Study.** Out of funds appropriated above in Strategy L.1.1, HHS System Supports, the Health and Human Services Commission (HHSC) shall identify strategies and recommendations to reduce costs related to health care not covered under contract provided to civilly committed residents of a housing facility either operated by or contracted for by the Texas Civil Commitment Office (TCCO). HHSC shall:

- (a) Evaluate whether civilly committed residents could be eligible for state or federally provided health coverage or other insurance coverage options;
- (b) Examine whether TCCO could partner with a health-related institution to provide health care to civilly committed residents; and
- (c) Partner with TCCO to develop the strategies and recommendations.

No later than December 1, 2026, HHSC shall submit findings and recommendations to the Senate Finance Committee, the House Appropriations Committee, the Legislative Budget Board, the Office of the Governor, and permanent standing committees in the House of Representatives and the Senate with jurisdiction over health and human services.

Health and Human Services Commission, Article II
Proposed Rider
Cost Comparison Report

Prepared by LBB Staff, 3/9/2025

Overview

Reinstate 2024-25 General Appropriations Act, Article II, Health and Human Services Commission, Rider 4, Cost Comparison Report.

Required Action

1. On page II-XX of the Health and Human Services Commission bill pattern, add the following rider:

_____. **Cost Comparison Report.** Out of funds appropriated above in Strategy B.1.1, Medicaid & CHIP Contracts & Administration, the Health and Human Services Commission (HHSC) shall develop a report analyzing state and federally funded residential and nonresidential services in the Home and Community-based Services (HCS) waiver program, the Texas Home Living waiver program, and Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFs/IID).

- (a) The report shall include the following:

- (1) The monthly average cost to the state per person for individuals residing in state-operated and non-state-operated ICFs/IID, HCS waiver program, and Texas Home Living waiver program by Level of Need (LON) and facility size (private ICFs/IID only);
- (2) A comparison of severity across settings; and
- (3) The total number of persons, by LON, who transitioned from state-operated ICFs/IID to the HCS residential waiver program for the previous biennium, and their average monthly cost of service in the HCS waiver program.

- (b) With respect to the cost to the state per person residing in a state-operated ICF/IID, HHSC shall include all costs, such as Statewide Cost Allocation Plan (SWCAP), maintenance and construction costs, employee benefit costs and other federally allowable administrative, medical, and overhead costs. With respect to the cost to the state per person in state-operated ICFs/IID, non-state-operated ICFs/IID, and the HCS and Texas Home Living waivers, HHSC shall include all Medicaid costs including acute care costs that are not included in the waiver rates for those programs and all costs to administer and license those programs. For state-operated ICFs/IID, the average monthly administrative and overhead costs shall be reported separately from the average monthly client care costs. HHSC shall identify the types of costs included in each category.

- (c) Cost for waiver recipients will cover the time a person enrolled in the waiver through the time they are terminated from waiver services. The cost for ICF/IID services will cover the time a person is admitted to the facility to the time of discharge unless the person is admitted to an ICF/IID or waiver within 60 days of discharge. In that case, the Medicaid costs incurred during discharge will be counted toward the ICF/IID costs.

The report shall be submitted to the Legislative Budget Board and the Office of the Governor and shall be posted on the Commission's website no later than August 31 of the first fiscal year of the biennium.

By: _____

Health and Human Services Commission, Article II
Proposed Rider
Regulatory Services Division

Prepared by LBB Staff, 03/10/2025

Overview

Provide a rider for the agency directing certain FTEs and associate funding as one-time costs.

Required Action

1. On page II-XX of the Health and Human Services Commission’s bill pattern, add the following rider:

_____. **Regulatory Services Division.** Out of amounts appropriated above, the Health and Human Services is appropriated, as one-time costs, in Strategy H.1.1, Facility/Community-Based Regulation, \$3,326,682 from the General Revenue Fund (\$3,380,616 from All Funds) in fiscal year 2026 and 32.0 full-time-equivalents (FTEs) and \$3,326,681 from the General Revenue Fund (\$3,380,616 from All Funds) in fiscal year 2027 and 32.0 FTEs; and in Strategy L.1.1, HHS System Supports, \$492,277 from the General Revenue Fund (\$510,120 from All Funds) in fiscal year 2026 and 2.0 FTEs and \$492,277 from the General Revenue Fund (\$510,120 from All Funds) in fiscal year 2027 and 2.0 FTEs to address backlogs relating to abuse, neglect, and exploitation investigations.

Health and Human Services Commission

Proposed Funding and Rider

Amend Rider 23, Base Wage Increase for Personal Attendant Services (\$12.44 per Hour)

Overview

Increase funding to the Health and Human Services to increase the base wage for personal attendant services to \$12.44 per hour, increase the associated payroll, tax, and benefits percentage to 14 percent, and increase the associated administrative rate by \$0.24 per hour. Amend Rider 23, Base Wage Increase for Personal Attendant Services, to identify funding for this purpose.

Required Action

1. On Page II-XX of the Health and Human Services Commission bill pattern, increase appropriations in Strategy A.1.1, Medicaid Client Services, by \$11,028,706 from the General Revenue Fund and \$31,008,724 from Federal Funds (\$42,037,430 from All Funds) in fiscal year 2026 and \$12,820,680 from the General Revenue Fund and \$34,593,349 from Federal Funds (\$47,414,029 X from All Funds) in fiscal year 2027.
2. On Page II-XX of the Health and Human Services Commission bill pattern, increase appropriations in Strategy D.2.3, Behavioral Hlth Waiver & Amendment, by \$612,397 from the General Revenue Fund and \$896,715 from Federal Funds (\$1,509,112 from All Funds) in fiscal year 2026 and \$613,152 from the General Revenue Fund and \$895,960 from Federal Funds (\$1,509,112 from All Funds) in fiscal year 2027.
3. On Page II-XX of the Health and Human Services Commission bill pattern, decrease appropriations in Strategy F.1.2, Non-Medicaid Services, by \$1,509,112 from the General Revenue Fund in each fiscal year.
4. On page II-XX of the Health and Human Services Commission bill pattern, amend the following rider:

23. Base Wage Increase for Personal Attendant Services.

- (a) Included in the amounts appropriated above in Goal A, Medicaid Client Services, Strategy D.2.3, Behavioral Hlth Waiver & Amendment, and Strategy F.1.2, Non-Medicaid Services, is ~~\$364,158,415~~ ~~\$369,593,897~~ from the General Revenue Fund and ~~\$559,032,044~~ ~~\$527,126,605~~ from Federal Funds (~~\$923,190,459~~ ~~\$896,720,502~~ from All Funds) in fiscal year 2026 and ~~\$382,967,166~~ ~~\$386,612,193~~ from the General Revenue Fund and ~~\$587,721,688~~ ~~\$552,232,379~~ from Federal Funds (~~\$970,688,854~~ ~~\$938,844,572~~ from All Funds) in fiscal year 2027 to increase the base wage for personal attendant services to \$12.44 ~~\$12.00~~ per hour, increase the associated payroll costs, taxes, and benefits percentage to 14 percent, and increase the associated administrative rate by \$0.24 per hour in fiscal years 2026 and 2027.
- (b) The Health and Human Services Commission (HHSC) shall utilize any funds that were previously expended for the attendant compensation rate enhancement programs for the base wage increase described in subsection (a) and shall discontinue the attendant compensation rate enhancement programs for community care services, intermediate care facility services, and intellectual and developmental disability services.
- (c) Out of funds appropriated in Strategy B.1.1, Medicaid & CHIP Contracts and Administration, HHSC shall continue to collect biennial cost reports from providers to monitor the average hourly wage and associated payroll costs, taxes, and benefits. HHSC shall calculate for each provider the total amount that was paid to the provider that is attributable to the direct care wages, payroll costs, taxes, and benefits, the amount expended by the provider for that purpose, and the ratio of expenses to

revenue to determine a direct care wage and benefits expense ratio. HHSC shall report to the Legislative Budget Board, the Lieutenant Governor, the Speaker of the House of Representatives, and the Office of the Governor on an annual basis by November 1 of each year on the findings, including a list of providers whose calculated direct care staff wage and benefits expense ratio is less than 0.95.

By: _____

Health and Human Services Commission, Article II
Proposed Funding and Rider Amendment
Rural Hospital Grant Program

Prepared by the LBB, 03/10/2025

Overview

Provide additional funding of \$25,000,000 in Strategy F.3.3, Additional Advocacy Programs and amend the associated rider for the Rural Hospital Grant Program to support hospitals that serve Texans in rural areas.

Required Action

1. On page II-42 of the Health and Human Services Commission’s bill pattern, increase appropriations for Strategy F.3.3, Additional Advocacy Programs, by \$12,500,000 from the General Revenue Fund in fiscal year 2026 and \$12,500,000 from the General Revenue Fund in fiscal year 2027.
2. On Page II-87 of the Health and Human Services Commission’s bill pattern, amend the following rider:

67. **Rural Hospital Grant Program.**

- (a) **Informational Listing.** Included in amounts appropriated above to the Health and Human Services Commission (HHSC) is \$25,000,000 from the General Revenue Fund in each fiscal year in Strategy F.3.3, Additional Advocacy Programs, to provide grants for purposes described in Subsection (b) for financial stabilization of rural hospitals, for maternal care operations in rural hospitals, and for alternative payment model readiness for rural hospitals; and \$12,500,000 from the General Revenue Fund in each fiscal year in Strategy F.3.3, Additional Advocacy Programs, to provide grants for purposes described in Subsection (c); and \$500,000 from the General Revenue Fund in each fiscal year in Strategy L.1.1, HHS System Supports, to administer the program.
- (b) Grants awarded under this section shall be expended for the following purposes:
 - (1) Recruitment, retention, and development of physician workforce, including Obstetricians-Gynecologists and Emergency Physicians, and nursing workforce in underserved areas;
 - (2) Financial stabilization for rural hospitals;
 - (3) Improving maternal health outcomes and increasing access to maternal care services;
 - (4) Financing innovative methods to deliver care in rural areas, including using technology to expand access to care;
 - (5) Enhancing critical care transport.
 - (6) HHSC shall ensure that at least 50 percent of the funds awarded for financial stabilization for rural hospitals are made to hospitals paid using a prospective payment system by Medicare.
- (c) **Essential Access Grants.** HHSC shall award grants under this subsection to a hospital that meets one of the following criteria: (1) A hospitals located in a county with 68,750 or fewer persons according to the 2020 U.S. Census; or (2) A hospital designated by Medicare as a Critical Access Hospital (CAH), a Sole Community Hospital (SCH), or a Rural Referral Center (RRC) that is not located in a Metropolitan Statistical Area (MSA); or (3) A hospital that has 100 or fewer beds, is designated by Medicare as a CAH, a SCH, or a RRC, and is located in an MSA.

Grants may be expended for the following purposes:

- (1) Recruitment, retention, and development of physician workforce, including Obstetricians-Gynecologists and Emergency Physicians, and nursing workforce in underserved areas;
 - (2) Financial stabilization, including for a hospital that has recently experienced a change in federal designation that is anticipated to negatively impact access to care, including loss of Critical Access Hospital designation.
 - (3) Rural hospitals eligible for funding under this subsection shall not be limited from applying for funds available in subsection a.
- (d) **Application Process:** In making awards under the Rural Hospital Grant Program, HHSC must reduce any unnecessary or overly burdensome requirements on rural hospital grant applicants, or the internal processes required to post a solicitation for applications for the Rural Hospital Grant Program. HHSC shall, at a minimum, review and revise current grant policies, procedures, and templates in a manner that expedites the solicitation process and reduces the administrative burden to rural hospital grant applicants and grantees. The review must include a determination of the applicability to grants of required terms, conditions, requirements, and clauses in the Texas Procurement and Contract Management Guide and eliminate any that are not expressly statutorily required and applicable.
- (e) **Unexpended Balance Authority within the Biennium.** Any unexpended balances remaining at the end of August 31, 2026, are appropriated for the same purposes for the fiscal year beginning September 1, 2026.
- (f) **Grant Deadline:** All funds shall be awarded by August 31, 2027.
- (g) **Reporting Requirement.** By November 1 of each fiscal year of the biennium, HHSC shall submit a report detailing the expenditure of funds appropriated in Strategy F.3.3, Additional Advocacy Programs, for the Rural Hospital Grant Program. The report shall include the following: the number of grants awarded, amount awarded per entity, effectiveness of the grants, the number of hospitals served by each grant program, and any other information requested by the Legislative Budget Board. The report shall be submitted to the Legislative Budget Board, the Governor's Office, the Senate Finance Committee, and the House Appropriations Committee.
- (h) Notwithstanding the limitations in Article IX, Sec. 6.10, Limitations on State Employment Levels, of this Act, HHSC may increase the "number of full-time-equivalents (FTEs)" appropriated above by 6.0 FTEs in each fiscal year to address staffing needs related to providing grants under this provision.

By: _____

Health and Human Services Commission, Article II
Proposed Rider
Data Collection to Assess Financial Stability of Certain Medicaid Long-Term Care Providers

Prepared by LBB Staff, 3/10/2025

Overview

Add a rider to direct the Health and Human Services Commission to collect and report on information related to the financial stability of certain Medicaid long-term care providers.

Required Action

On page II-XX of the Health and Human Services Commission bill pattern, add the following rider:

- ____. **Reporting Requirement: Data Collection to Assess Financial Stability of Certain Medicaid Long Term Care Providers.** Out of funds appropriated above, the Health and Human Services Commission (HHSC) shall collect information from each Medicaid long-term care provider that provides residential or facility-based services for the purpose of submitting a cost report to determine the profits and losses incurred by each provider, including any non-Medicaid revenues and costs.
- (a) The data collected shall include, at a minimum:
- (1) A listing of all land and buildings or improvements located in Texas and owned by the provider's corporation or a related business entity; and
- (2) The fair market value of items described in Subsection (a)(1) as they existed on January 1;
- (b) HHSC shall report on the data described above, including the aggregate totals by provider type, the profit and losses reported, and a summary of the real property and assets valuation. HHSC shall submit the report with findings to the Senate Committee on Finance, the House Committee on Appropriations, the Legislative Budget Board, the Lieutenant Governor, the Speaker of the House, and the Office of the Governor by December 1 of each even-numbered year.

By: _____

Health and Human Services Commission, Article II

Proposed Funding and Rider

Cost Containment

Prepared by LBB Staff, 03/10/2025

Overview

Reinstate and amend the following rider from the 2024-25 General Appropriations Act for cost containment.

Funding

____. **Cost Containment.** The Health and Human Services Commission (HHSC) shall develop and implement cost containment initiatives to achieve savings of at least \$550,000,000 in General Revenue Funds for the 2026-27 biennium throughout the health and human services system. These initiatives shall include:

- (a) increasing fraud, waste, and abuse prevention and detection;
- (b) seeking to maximize federal flexibility under the Medicaid program;
- (c) achieving other programmatic and administrative efficiencies; and
- (d) savings from services that include emergency telemedicine services for individuals with intellectual and developmental disabilities.

HHSC shall provide an annual report on the implementation of cost containment initiatives to the Legislative Budget Board by December 1. It is the intent of the legislature that HHSC shall achieve savings without adjusting amount, scope, or duration of services or otherwise negatively impacting access to care. It is the intent of the legislature that prior to making any changes, HHSC shall consider stakeholder input, including complying with any statutory requirements related to rulemaking and public hearings. This rider shall not be construed as limiting HHSC's ability to maximize federal flexibility under the Medicaid program, including federal flexibility that may impact amount, scope, or duration of services.

By: _____

Health and Human Services Commission, Article II
Proposed Funding and Rider
State Supported Living Center Salary Differential

Prepared by LBB Staff, 03/10/2025

Overview

Add funding and rider to allow the Health and Human Services Commission to provide a 10.0 percent increase in salary for any direct support and client facing staff at the state supported living centers who interact with residents in designated behavioral health management units. Allow for the salary increase to be provided regardless of the time of interaction.

Required Action

- 1) On page II-XX of the Health and Human Services Commission bill pattern, increase appropriations in Strategy G.1.1, State Supported Living Centers, by \$1,173,424 in General Revenue and \$1,748,448 in Federal Funds in fiscal year 2026 and \$1,173,716 in General Revenue and \$1,748,156 in Federal Funds in fiscal year 2027.
- 2) On page II-XX of the Health and Human Services Commission bill pattern, amend the following rider:

_____. **Maximum Security Salaries.**

- (a) As a specific exception to the General Provisions of this Act governing salary rates of classified positions, funds are included above for the Health and Human Services Commission to pay employees working in designated Maximum Security Units ~~or designated specialized Behavioral Management Units~~ of state hospitals ~~and state supported living centers~~ up to a 6.8 percent increase over those salary rates provided by Article IX, Section 3.01, Salary Rates.
- (b) As a specific exception to the General Provisions of this Act governing salary rates of classified positions, funds are included above for the Health and Human Services Commission to pay employees working in designated specialized Behavioral Management Units of state supported living centers up to a 10.0 percent increase over those salary rates provided by Article IX, Section 3.01, Salary Rates. It is the intent of the Legislature that the increase is also applied to direct support professionals, nurses, social workers, and physicians who interact with the residents of Behavioral Management Units regardless of the amount of time of the interaction.

By: _____

Health and Human Services Commission, Article II
Proposed Rider
Informational Listing of Community Mental Health Hospitals

Prepared by LBB Staff, 3/10/2025

Overview

Amend Rider 39, Informational Listing: Community Mental Health Hospital Beds, to identify funding for the University of Texas Health Science Center at Tyler. Make other conforming edits.

Required Action

On page II-XX of the Health and Human Services Commission bill pattern, amend the following rider:

39. Informational Listing: Community Mental Health Hospital Beds.

- (a) Included in amounts appropriated above in Strategy G.2.2, Community Mental Health Hospitals, is \$42,924,000\$47,216,400 from the General Revenue Fund in each fiscal year of the biennium for operation of 168 beds at the John S. Dunn Center, and \$43,508,000 from the General Revenue Fund in each fiscal year of the biennium for operation of 149 beds at the Harris County Psychiatric Center.
- (b) Included in amounts appropriated above in Strategy G.2.2, Community Mental Health Hospitals, is \$8,407,692 from the General Revenue Fund in fiscal year 2026 for operation of 44 beds and \$15,866,966 from the General Revenue Fund for operation of 88 beds under contract with the University of Texas Health Science Center at Tyler.

Special Provisions Relating to All Health and Human Services Agencies, Article II

Proposed Rider

Technical Adjustment: Update Federal Match Assumptions

Prepared by LBB Staff, 2/27/25

Overview

Technical adjustment to align federal and state fiscal year federal matching rates with actuals based on information from the federal Department of Health and Human Services. Final conforming changes to related funding levels will be made during Conference Committee.

Required Action

On page II-118 of the Special Provisions Relating to All Health and Human Services Agencies bill pattern, amend the following rider:

Sec. 4. Federal Match Assumptions and Limitations on Use of Available General Revenue Funds.

- (a) **Federal Match Assumptions.** The following percentages reflect federal match assumptions used in Article II of this Act.

Federal Medical Assistance Percentage (FMAP)

	<u>2026</u>	<u>2027</u>
Federal Fiscal Year	<u>59.83%</u> 59.37%	<u>59.83%</u> 59.37%
State Fiscal Year	<u>59.84%</u> 59.42%	<u>59.83%</u> 59.37%

Enhanced Federal Medical Assistance Percentage (EFMAP)

	<u>2026</u>	<u>2027</u>
Federal Fiscal Year	<u>71.88%</u> 71.56%	<u>71.88%</u> 71.56%
State Fiscal Year	<u>71.89%</u> 71.60%	<u>71.88%</u> 71.56%

- (b) **Enhanced Match Assumptions and Reporting.** Health and human services agencies listed in Article II of this Act shall submit to the Legislative Budget Board and the Governor the monthly number of clients receiving services eligible for any enhanced federal match as well as the amount of eligible expenditures subject to an enhanced match, by strategy. The data shall be submitted on a monthly basis in a format specified by the Legislative Budget Board. For purposes of this section, enhanced federal matches are defined as an increase to the usual matching rate (regardless of what the usual match is) that are, or become, available under Medicaid or another federally-matched program. Enhanced federal matches include, but are not limited to, those made available through the Money Follows the Person demonstration and the Community First Choice Program. Whether or not a match meets the definition of enhanced federal match for purposes of this section will be at the discretion of the Legislative Budget Board.

Any other Article II agency is still subject to the requirements of Subsections (b) and (c) of this provision if any agency expenditures receive an enhanced federal match.

- (c) **Limitations on Use of Available General Revenue Fund Appropriations.** Notwithstanding the limitations of Article IX, Section 13.02(a), in the event the actual FMAP and EFMAP should be greater than shown in subsection (a), or the amount of increased Federal Funds and reduced General Revenue Fund Appropriations due to enhanced matches should be greater than shown in Subsection (b), or if any other matching rate becomes more favorable than the rate assumed in the General Appropriations Act, the health and human services agencies in Article II of this Act are authorized to expend the General Revenue Fund Appropriations thereby made available only with the prior written approval of the Legislative Budget Board and Governor.

To request approval to expend available General Revenue Fund Appropriations, an agency shall

submit a written request to the Legislative Budget Board and the Governor. At the same time, the agency shall provide a copy of the request to the Comptroller of Public Accounts. The request shall include the following information, by fiscal year:

- (1) a detailed explanation of the proposed use(s) of the available General Revenue Fund Appropriations and whether the expenditure(s) will be one-time or ongoing;
- (2) the amount available by strategy;
- (3) the strategy(ies) in which the funds will be expended and the associated amounts, including any matching Federal Funds;
- (4) an estimate of performance levels and, where relevant, a comparison to targets included in this Act; and
- (5) the capital budget and/or full-time equivalent impact.

Additional information requested by the Legislative Budget Board or the Governor should be provided in a timely manner. The request and information provided subsequently shall be prepared in a format specified by the Legislative Budget Board.

The request shall be considered to be approved unless the Legislative Budget Board or the Governor issue a written disapproval within 30 business days of the date on which the staff of the Legislative Budget Board concludes its review of the proposal to expend the funds and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor. Any requests for additional information made by the Legislative Budget Board shall interrupt the counting of the 30 business days.

The Comptroller of Public Accounts shall not allow the expenditure of General Revenue Fund Appropriations made available if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the requirements of this provision have not been satisfied.

By: _____

Special Provisions Relating to All Health and Human Services Agencies, Article II

Proposed Rider

Technical Adjustment: Align Rider with Projected Revenue

Prepared by LBB Staff, 3/2/25

Overview

Technical adjustment to align trauma funding listed in the rider with revenue estimates from the 2026-27 biennial revenue estimate. This adjustment is contingent on related no-cost adjustments being made at the Department of State Health Services and the Health and Human Services Commission.

Required Action

On page II-127 of the Special Provisions Relating to All Health and Human Services Agencies bill pattern, amend the following rider:

Sec. 15. Use of Trauma Fund Receipts. In an effort to maximize the availability of Federal Funds under Medicaid for the purposes of providing reimbursement for uncompensated trauma care at designated facilities and providing increases in Medicaid inpatient provider rates, the Department of State Health Services (DSHS) and the Health and Human Services Commission (HHSC) shall enter into an interagency contract to allow for the transfer of funds from General Revenue-Dedicated Designated Trauma Facility and EMS Account No. 5111, from DSHS to HHSC for this purpose.

Appropriations include ~~\$93,951,545~~\$97,110,584 in fiscal year 2026 and ~~\$93,951,545~~\$97,110,583 in fiscal year 2027 out of the General Revenue-Dedicated Designated Trauma Facility and EMS Account No. 5111 to the Department of State Health Services, Strategy B.2.1, EMS and Trauma Care Systems. Of that amount, ~~\$80,127,880~~\$83,286,919 in fiscal year 2026 and ~~\$80,127,880~~\$83,286,918 in fiscal year 2027 is to be transferred through the interagency contract to HHSC to provide add-on payments for trauma care and safety-net hospitals in Medicaid.

If funds are not available in the amount appropriated from General Revenue-Dedicated Designated Trauma Facility and EMS Account No. 5111 in this Act, the amounts identified for transfer through interagency contract to HHSC shall be reduced by the amount that funds are less than appropriations and an equal amount of monies out of the General Revenue Fund is appropriated to HHSC.

Special Provisions Relating to All Health and Human Services Agencies, Article II

Proposed Rider

Agency Request: Sec. 2, Salary Differentials

Prepared by LBB Staff, 3/2/25

Overview

Health and Human Services Commission request to allow Regulatory Services staff to be paid an evening, night, or weekend shift salary differential.

Required Action

On page II-117 of the Special Provisions Relating to All Health and Human Services Agencies bill pattern, amend the following rider:

Sec. 2. Salary Differentials.

- (a) **Authority provided.** Agencies listed in Article II of this Act are authorized to pay the following salary differentials to personnel identified in Subsection (b):
- (1) an evening or night shift salary differential, not to exceed 15 percent of the monthly pay rate, to personnel who work the 3:00 p.m. to 11:00 p.m. or the 11:00 p.m. to 7:00 a.m. shift or the equivalent; and
 - (2) a weekend shift salary differential, not to exceed 5 percent of the monthly pay rate, to persons who work weekend shifts.

The evening or night shift salary differential may be paid in addition to the weekend shift salary differential for persons working evening or night shifts on the weekend.

- (b) **Eligible personnel.** The authority provided in Subsection (a) applies to the following personnel:
- (1) clinical, testing, and support personnel at the Health and Human Services Commission (HHSC) and the Department of State Health Services (DSHS);
 - (2) data processing or printing operations personnel at HHSC, DSHS, and the Department of Family and Protective Services (DFPS); ~~and~~
 - (3) Statewide Intake personnel at DFPS; and
 - (4) Personnel in the HHSC Regulatory Services Division.

Special Provisions Relating to All Health and Human Services Agencies, Article II

Proposed Rider

Agency Request: Sec. 8, Caseload and Expenditure Reporting Requirements

Prepared by LBB Staff, 3/2/25

Overview

Health and Human Services Commission request to clarify that the Texas Civil Commitment Office will submit data regarding offsite healthcare.

Required Action

On page II-121 of the Special Provisions Relating to All Health and Human Services Agencies bill pattern, amend the following rider:

Sec. 8. Caseload and Expenditure Reporting Requirements.

- (a) **Quarterly Forecasts.** The Health and Human Services Commission, in cooperation with operating agencies, shall submit to the Legislative Budget Board and the Governor, at the end of each fiscal quarter, projected caseloads and related expenditure amounts, for the following programs:

- (1) Medicaid;
- (2) Children's Health Insurance Program (CHIP) and related programs;
- (3) Temporary Assistance for Needy Families cash assistance;
- (4) Women's Health Programs;
- (5) State Facilities;
- (6) Community Mental Health Services, including Behavioral Health Waivers;
- (7) Early Childhood Intervention services; and
- ~~(8) Texas Civil Commitment Office offsite healthcare; and~~
(8)(9) Other programs upon request of the Legislative Budget Board or the Governor.

The reports shall be prepared in a format specified by the Legislative Budget Board.

- (b) **Monthly Data.** The Health and Human Services Commission, or its designated operating agency, shall submit to the Legislative Budget Board and the Governor, at the end of each month, caseload and related expenditure amounts for the programs identified in subsection (a). The data shall be submitted in a format specified by the Legislative Budget Board.
- (c) At the request of the Legislative Budget Board or the Governor, supporting documentation detailing the sources and methodologies utilized to develop any caseload or cost projections contained in the report and any other supporting material must be provided.

In the event that the forecasting function is transferred to another agency, the requirement for the Health and Human Services Commission to provide quarterly forecasts under Subsection (a) shall apply to the other agency.

- (d) **TCCO Quarterly Forecasts.** The Texas Civil Commitment Office (TCCO) shall submit to the Legislative Budget Board and the Governor, at the end of each fiscal quarter, projected caseloads and related expenditure amounts for offsite healthcare in a format specified by the Legislative Budget Board.

Special Provisions Relating to All Health and Human Services Agencies, Article II

Proposed Rider

Agency Request: Sec. 9, System Support Services

Prepared by LBB Staff, 3/2/25

Overview

Health and Human Services Commission request to provide additional transfer flexibility.

Required Action

On page II-121 of the Special Provisions Relating to All Health and Human Services Agencies bill pattern, amend the following rider:

Sec. 9. System Support Services.

- (a) **Appropriations for System Support Services.** Included in amounts appropriated in Article II of this Act are the following amounts for Article II system support services assessments:

- (1) \$126,715,519 in All Funds in fiscal year 2026 and \$126,529,353 in All Funds in fiscal year 2027 at the Department of Family and Protective Services (DFPS);
- (2) \$78,369,097 in All Funds in fiscal year 2026 and \$78,217,575 in All Funds in fiscal year 2027 at the Department of State Health Services (DSHS); and
- (3) \$569,205,418 in All Funds in fiscal year 2026 and \$561,088,068 in All Funds in fiscal year 2027 at the Health and Human Services Commission (HHSC).

Amounts in this subsection do not include benefits, which are appropriated elsewhere in this Act.

- (b) None of the funds appropriated to an agency listed in Article II of this Act shall be expended for system support services unless the following requirements are met:

- (1) **Reporting Requirements.** HHSC shall submit the following information at the agency and system level to the Legislative Budget Board and the Governor:

(A) **Annual Assessments.** By September 1 of each year:

- (i) amounts assessed for system support services, by service category and fund type, for the new fiscal year; and
- (ii) signed copies of any agreements between the agencies regarding system support services for the new fiscal year.

(B) **Annual Expenditures.** By October 1 of each year:

- (i) actual expenditures for system support services, by service category and fund type, for the three prior fiscal years; and
- (ii) the amount each agency's actual expenditures for system support services have changed since submission of the prior year's report.

DFPS and DSHS shall provide all necessary information to HHSC to complete the reports required by this subsection.

(2) **Notification of Anticipated Increases.** HHSC shall notify the Legislative Budget Board and the Governor if total expenditures for system support services are expected to exceed the amounts reported in Subsection (a) by more than \$1,000,000 in combined General Revenue Fund appropriations and General Revenue-Dedicated Fund appropriations during the fiscal year or if HHSC implements any new projects or services not presented to the Legislature that will result in an increase in the amounts assessed to DFPS or DSHS. The notification shall include:

(A) the reason(s) for the increase;

(B) the estimated allocation of the increased cost between agencies by method-of-financing; and

(C) how each agency will fulfill their estimated contribution.

(c) **Transfer of Appropriations for System Support Services.** Notwithstanding the limitations of Special Provisions Relating to All Health and Human Services Agencies, Section 6, Limitations on Transfer Authority, and Article IX, Section 14.01, Appropriation Transfers, the Executive Commissioner of the Health and Human Services Commission is authorized to make transfers of funding and full-time-equivalents (FTEs) appropriated for system support services between all health and human services agencies listed in Article II of this Act. Transferred appropriations and FTEs shall only be expended by the receiving agency for system support services. This authority only applies if the appropriations to be transferred are appropriated in HHSC Goal K, Office of Inspector General, HHSC Goal L, System Oversight and Program Support, other HHSC strategies with system support services funding, DFPS Goal D, Indirect Administration, and DSHS Goal E, Indirect Administration, and the transfer will not create or increase a supplemental need. This authority is contingent upon HHSC submitting prior written notification to the Legislative Budget Board and Governor. The notification shall include:

(1) the reason for the transfer;

(2) amounts to be transferred by agency, strategy, method-of-financing, and fiscal year; and

(3) the capital budget impact.

(d) **Limitations on Expenditures.** Amounts identified in Subsection (a) and any amounts transferred pursuant to Subsection (c) of this rider shall not be expended for a purpose other than system support services without prior written approval from the Legislative Budget Board and the Governor. To request approval, the agency shall submit a written request to the Legislative Budget Board and the Governor that includes the following information:

(1) a detailed explanation of the proposed use(s) of the appropriations and whether the expenditure(s) will be one-time or ongoing;

(2) the amount by strategy and method-of-financing;

(3) an estimate of performance levels and, where relevant, a comparison to targets included in this Act; and

(4) the capital budget impact.

The request shall be considered disapproved unless the Legislative Budget Board and the Governor issue written approval within 30 business days of the date on which the staff of the Legislative Budget Board concludes its review of the request to expend funds and forwards its review to the Chair of the House Appropriations Committee, Chair of the

Senate Finance Committee, Speaker of the House, and Lieutenant Governor. Any requests for additional information made by the Legislative Budget Board shall interrupt the counting of the 30 business days.

- (e) **Requests and Notifications.** Any requests or notifications submitted by an agency listed in Article II of this Act, pursuant to any rider or other provision of this Act, shall include the anticipated impact the request or notification will have on system support service assessments by agency and method-of-financing.

The Comptroller of Public Accounts shall not allow the expenditure of funds for system support services, including assessments if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the requirements of this provision have not been satisfied.

Department of Family and Protective Services, Health and Human Services Commission, and Special Provisions Relating to All Health and Human Services Agencies, Article II
Proposed Funding and Rider
Residential Services for High Acuity Youth in Conservatorship

Prepared by LBB Staff, 03/09/2025

Overview

Add funding and full-time-equivalent authority at the Health and Human Services Commission (HHSC) and add rider in the Special Provisions Relating to All Health and Human Services Agencies to require HHSC to establish a residential treatment facility dedicated to youth in conservatorship.

Includes a reduction at the Department of Family and Protective Services (DFPS) and conforming DFPS rider change to partially address funding at HHSC.

Total funding provided is \$34,301,553 in General Revenue, including \$7,000,000 in General Revenue from DFPS and \$27,301,553 in General Revenue in new funding, for this purpose.

Required Action

- 1) On page II-2 of the Department of Family and Protective Services bill pattern, decrease appropriations in Strategy B.1.9, Foster Care Payments, by \$3,500,000 in General Revenue in fiscal year 2026 and \$3,500,000 in General Revenue in fiscal year 2027.
- 2) On page II-20 of the Department of Family and Protective Services bill pattern, amend the following rider:

37. Behavioral Health Funding. Out of funds appropriated above in Strategy B.1.9, Foster Care Payments, the Department of Family and Protective Services shall allocate ~~\$21,061,742~~\$14,061,742 from the General Revenue Fund (~~\$21,133,570~~\$14,133,570 in All Funds) in the 2026-27 biennium to provide behavioral health services such as Intensive Psychiatric Stabilization or similar services.
- 3) On page II-41 of the Health and Human Services Commission bill pattern, increase the “Number of Full-Time-Equivalents (FTE)” by 280.0 FTEs in fiscal year 2026 and 280.0 FTEs in fiscal year 2027.
- 4) On page II-42 of the Health and Human Services Commission bill pattern, increase appropriations in Strategy G.2.1, Mental Health State Hospitals, by \$5,366,461 in General Revenue in fiscal year 2026 and \$24,563,129 in General Revenue in fiscal year 2027.
- 5) On page II-43 of the Health and Human Services Commission bill pattern, increase appropriations in Strategy H.1.1, Facility/Community-Based Regulation, by \$235,767 in General Revenue in fiscal year 2026 and \$1,261,813 in General Revenue in fiscal year 2027.
- 6) On page II-43 of the Health and Human Services Commission bill pattern, increase appropriations in Strategy L.1.2, IT Oversight & Program Support, by \$247,925 in General Revenue in fiscal year 2026 and \$729,460 in General Revenue in fiscal year 2027.
- 7) On page II-43 of the Health and Human Services Commission bill pattern, increase appropriations in Strategy L.2.1, Central Program Support, by \$451,400 in General Revenue in fiscal year 2026 and \$1,445,598 in General Revenue in fiscal year 2027.

- 8) On page II-XX of the Special Provisions Relating to All Health and Human Services Agencies, add the following rider:

Residential Services for High Acuity Youth in Department of Family and Protective Services Conservatorship.

- (a) Included in amounts appropriated above to the Health and Human Services Commission (HHSC) are the following amounts to establish a residential treatment facility for the purpose of providing dedicated bed capacity for youth in Department of Family and Protective Services (DFPS) conservatorship:
- (1) \$5,366,461 in General Revenue in fiscal year 2026 and \$24,563,129 in General Revenue in fiscal year 2027 and 255.0 FTEs in each fiscal year in Strategy G.2.1, Mental Health State Hospitals;
 - (2) \$235,767 in General Revenue in fiscal year 2026 and \$1,261,813 in General Revenue in fiscal year 2027 and 7.0 FTEs in each fiscal year in Strategy H.1.1, Facility/Community-based Regulation;
 - (3) \$247,925 in General Revenue in fiscal year 2026 and \$729,460 in General Revenue in fiscal year 2027 and 6.4 FTEs in each fiscal year in Strategy L.1.2, IT Oversight and Program Support; and
 - (4) \$451,400 in General Revenue in fiscal year 2026 and \$1,445,598 in General Revenue in fiscal year 2027 and 11.6 FTEs in each fiscal year in Strategy L.2.1, Central Program Support.
- (b) The capacity shall accommodate a daily census of up to 30 youth in DFPS conservatorship, including both boys and girls, between the ages of 13-17 with the following conditions:
- (1) Behavioral Health Conditions (mental health or substance use) or co-occurring mental health and substance use conditions; and/or
 - (2) Intellectual and Developmental Disabilities (IDD); or
 - (3) co-occurring behavioral health and IDD.
- (c) The residential treatment facility shall establish programming to meet the immediate needs of youth in DFPS conservatorship with high acuity behavioral health and/or IDD conditions who require placement in a residential facility, and shall provide a stable treatment environment for DFPS youth, and programming shall prepare youth for transition by DFPS to a longer term DFPS licensed or kinship placement following the provision of mental health services by HHSC with the consent of DFPS.
- (d) DFPS will refer youth and HHSC may transfer youth to a higher level of care if clinically indicated with DFPS's consent. Admission to the state-operated residential facility shall be voluntary and eligibility criteria shall address the needs of high-acuity youth in DFPS conservatorship and shall be defined jointly by DFPS and HHSC.
- (1) The residential treatment facility must allow for admission within 24 hours if a bed is available for youth referred by DFPS for immediate mental health services.
- (e) DFPS shall ensure at least one staff person is available onsite during normal working hours (and available after hours) to participate in and collaboratively coordinate discharge planning with all parties, including the facility and the potential future placement, to help secure services for child and family supports in accordance with relevant state continuity of care standards throughout the course of placement in the residential facility and prior to discharge.

**Special Provisions Relating to All Health and Human Services
Agencies, Article II
Proposed Rider
Contract Reporting**

Prepared by LBB Staff, 03/10/2025

Overview

Add rider requiring Article II agencies to report on the number of no-cost contracts and interagency contracts with institutions of higher education.

Required Action

On page II-XX of the Special Provisions Relating to All Health and Human Services Agencies bill pattern, add the following rider:

- _____ **Contract Reporting.** Out of funds appropriated above, the health and human Services agencies listed in Article II of this Act shall include the following information on the agencies' websites, accessible directly from its website homepage, concerning certain contracts for services provided to the agency:
- (a) An inventory listing all organizations that have "no cost" contracts or agreement for services. For the purposes of this rider, no cost is defined as an external third party that exchanges consulting or other services to agency staff or for agency infrastructure for no compensation. In providing the list, agencies shall report:
 - (1) the name of the organization;
 - (2) the headquarters address of the organization or the location of the organization performing services if it is different from the headquarters address;
 - (3) the date the contract or agreement was entered into and the duration of the contract;
 - (4) the recipient, division, or sub-agency within the health and human services agency receiving the services; and
 - (5) a description of the services rendered at no cost.
 - (b) An inventory of all interagency contracts with institutions of higher education for services. In providing the list, agencies shall report:
 - (1) The specific university and/or sub-agency and/or organization within the university performing the services;
 - (2) the date the contract or agreement was entered into and the direction of the contract;
 - (3) the recipient, division, or sub-agency within the health and human services agency receiving the services; and
 - (4) a description of services rendered and cost of the valued service.
 - (c) The information in subsections (a) and (b) shall be posted quarterly on the agencies' websites.