

**Health and Human Services Commission
Summary of Budget Recommendations - Senate**

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Method of Financing	2024-25 Base	2026-27 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$38,161,139,415	\$38,800,402,350	\$639,262,935	1.7%
GR Dedicated Funds	\$162,574,951	\$167,157,298	\$4,582,347	2.8%
Total GR-Related Funds	\$38,323,714,366	\$38,967,559,648	\$643,845,282	1.7%
Federal Funds	\$51,793,854,451	\$53,154,592,668	\$1,360,738,217	2.6%
Other	\$1,953,789,581	\$1,843,813,715	(\$109,975,866)	(5.6%)
All Funds	\$92,071,358,398	\$93,965,966,031	\$1,894,607,633	2.1%

	FY 2025 Budgeted	FY 2027 Recommended	Biennial Change	Percent Change
FTEs	39,005.4	41,726.0	2,720.6	7.0%

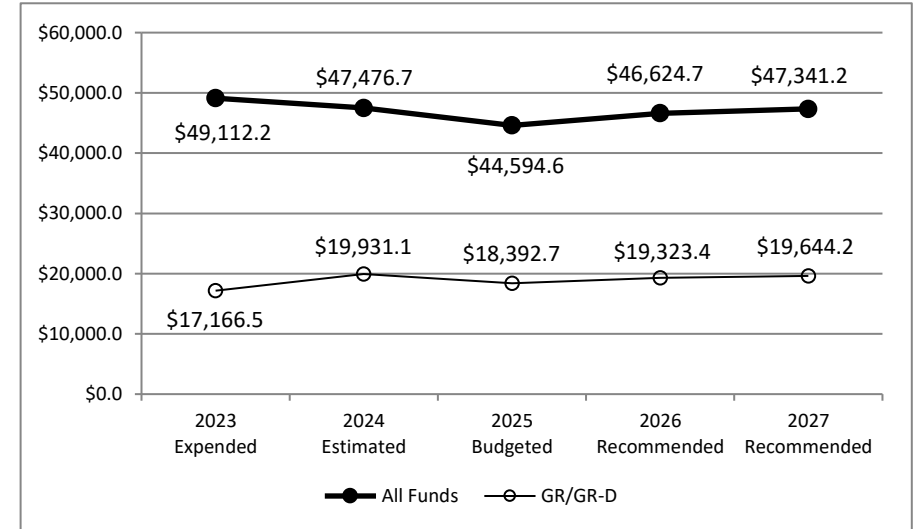
Agency Budget and Policy Issues and/or Highlights

The biennial change is primarily due to increases of \$2,537.5 million in General Revenue (\$4,337.9 million in All Funds) for Medicaid Client Services partially offset by the reduction of \$2,204.7 million in General Revenue (\$2,383.8 million in All Funds) in one-time supplemental appropriations provided in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023.

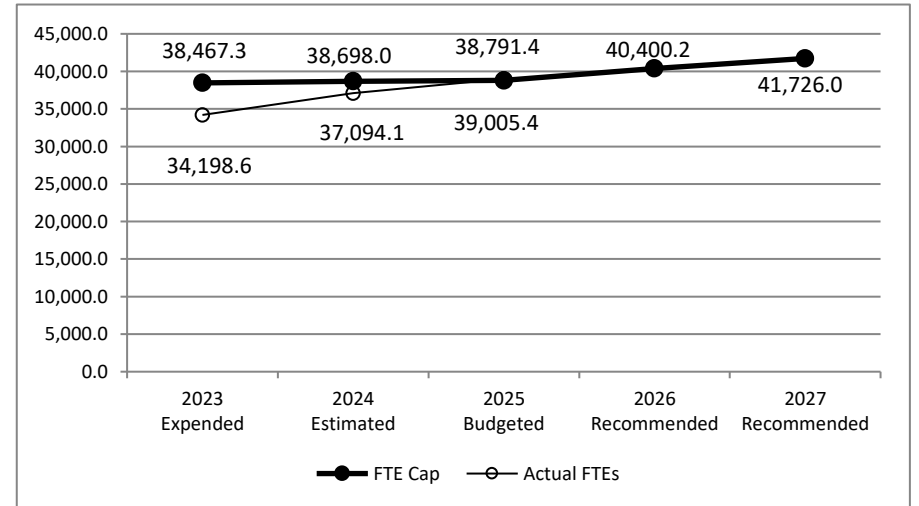
Fiscal year 2023 FTEs are below appropriated levels primarily due to vacancies resulting from COVID-19 and other staffing challenges. Statewide and targeted salary increases provided by the Eighty-eighth Legislature contributed to increases in FTEs in the 2024-25 biennium. The increase of 2,720.6 FTEs in fiscal year 2027 compared to fiscal year 2025 is primarily due to an increase of 1,964.8 FTEs to staff state hospitals.

The bill pattern for this agency (2026-27 Recommended) represents an estimated 65.0% of the agency's estimated total available funds for the 2026-27 biennium.

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



**Health and Human Services Commission
Summary of Funding Changes and Recommendations - Senate**

Funding Changes and Recommendations for the 2026-27 Biennium compared to the 2024-25 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
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SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):

A)	Align Funding to Legislative Budget Board (LBB) Forecasted Programs						
	Medicaid Client Services, including Waivers	\$1,611.9	\$0.0	\$391.4	\$3.7	\$2,006.9	A.1.1, A.2.1, A.2.2, A.2.3, A.2.4, A.2.5
	Children's Health Insurance Program (CHIP) Client Services	\$27.7	\$0.0	\$46.7	\$0.0	\$74.5	C.1.1
	Healthy Texas Women & Family Planning Program	\$19.7	\$0.0	\$5.2	\$0.0	\$24.9	D.1.1
	Home and Community-based Services - Adult Mental Health (HCBS-AMH) & Youth Empowerment Services (YES) Waiver	\$0.5	\$0.0	\$0.0	\$0.0	\$0.5	D.2.3
	Temporary Assistance for Needy Families (TANF) Cash Assistance	\$2.8	\$0.0	\$0.8	\$0.0	\$3.6	E.1.1
B)	Remove One-time Funding for COVID-19 Response	\$0.0	\$0.0	(\$381.6)	\$0.0	(\$381.6)	D.1.14, D.2.1, D.2.2, D.2.5, E.1.2, F.1.2, F.3.1, H.1.1, I.1.1, I.2.1, O.1.1, O.1.2, O.1.3, O.1.5, O.1.6
C)	Remove Freed-Up General Revenue for One-time Projects related to HCBS	(\$40.4)	\$0.0	(\$22.4)	\$0.0	(\$62.8)	B.1.1, D.2.3, F.1.1, H.1.1, I.2.1
D)	Remove One-time Supplemental Appropriations from Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023	(\$2,204.7)	\$0.0	(\$166.0)	(\$13.1)	(\$2,383.8)	B.1.1, D.1.2, D.1.10, D.2.4, G.2.2, G.4.1, G.4.2, H.2.1, L.1.2, L.2.1, M.1.1
E)	Funding to Increase Maternal Fetal Medicine Radiological Service Rates	\$5.5	\$0.0	\$8.2	\$0.0	\$13.6	A.1.1

Health and Human Services Commission
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Funding Changes and Recommendations for the 2026-27 Biennium compared to the 2024-25 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
F	Funding to Increase Nursing Facility Rates	\$214.4	\$0.0	\$319.5	\$0.0	\$533.9	A.1.1
G)	Funding to Increase the Base Wage for Personal Attendant Services to \$12.00 an Hour	\$756.2	\$0.0	\$1,079.4	\$0.0	\$1,835.6	A.1.1, A.2.1, A.2.2, A.2.3, A.2.4, D.2.3, F.1.2
H)	Funding for Medicaid and CHIP Contracts and Administration	\$5.9	\$0.0	(\$46.3)	(\$20.8)	(\$61.2)	B.1.1
I)	Funding to Expand Women's Preventative Mobile Health Unit Services	\$10.0	\$0.0	\$0.0	\$0.0	\$10.0	D.1.1
J)	Funding for Breast and Cervical Cancer Services	\$0.0	\$0.0	\$0.0	(\$0.1)	(\$0.1)	D.1.1
K)	Align Early Childhood Intervention Services Funding with HHSC Projections	\$18.1	\$0.0	\$15.3	\$0.0	\$33.4	D.1.3
L)	Funding for Mobile Stroke Units	\$5.0	\$0.0	\$0.0	\$0.0	\$5.0	D.1.10
M)	Additional Funding for Youth Mobile Crisis Outreach Teams	\$40.0	\$0.0	\$0.0	\$0.0	\$40.0	D.2.1
N)	Funding for Community Mental Health Services, Including Additional Funding for Crisis Services	\$11.5	\$0.0	(\$29.0)	(\$0.2)	(\$17.7)	D.2.1
O)	Reduced Federal Funding for Substance Use Services	\$0.0	\$0.0	(\$44.5)	\$0.0	(\$44.5)	D.2.2
P)	Non-Forecasted Appropriations for Behavioral Health Waiver and Plan Amendment	(\$0.1)	\$0.0	(\$0.1)	\$0.0	(\$0.2)	D.2.3
Q)	Funding to Biennialize Attendant Wages for Non-Medicaid Services	\$0.3	\$0.0	\$0.0	\$0.0	\$0.3	F.1.2
R)	Align State Supported Living Center Funding with HHSC Projections	\$0.0	\$0.0	\$58.3	\$0.0	\$58.3	G.1.1
S)	Funding to Support Increased Capacity at State Hospitals	\$165.9	\$0.0	\$0.0	\$0.0	\$165.9	G.2.1
T)	Remove One-time Funding for an Outpatient Integrated Care Clinic Project	(\$6.0)	\$0.0	\$0.0	\$0.0	(\$6.0)	G.2.2
U)	Increased Base Funding Level for Facility Deferred Maintenance	\$98.0	\$0.0	\$0.0	\$0.0	\$98.0	G.4.2

Health and Human Services Commission
Summary of Funding Changes and Recommendations - Senate

Funding Changes and Recommendations for the 2026-27 Biennium compared to the 2024-25 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
V)	Funding to Address Texas Public Finance Authority's (TPFA) Estimates for the Master Lease Purchase Program (MLPP)	\$0.7	\$0.0	\$0.0	\$0.0	\$0.7	G.4.2
W)	Remove One-time Funding and Donations for Inpatient Construction Projects and Other Deferred Maintenance at the State-Owned Facilities	(\$7.5)	\$0.0	\$0.0	(\$144.5)	(\$152.0)	G.4.2
X)	Funding for Integrated Eligibility and Enrollment	(\$14.9)	\$0.0	\$4.9	\$8.7	(\$1.3)	I.1.1
Y)	Funding for Texas Integrated Eligibility Redesign System (TIERS) Capital and Support Costs	\$28.6	\$0.0	\$72.4	\$0.1	\$101.1	I.3.1, I.3.2
Z)	Funding for Office of Inspector General	\$1.2	\$0.0	\$2.7	\$0.0	\$3.8	K.1.1
AA)	Funding for Other System Oversight, Informational Technology (IT), and Central Program Support, Including Additional Funding for Cybersecurity, Data Center Services, and Other IT Projects	\$104.9	\$0.0	\$41.0	\$14.3	\$160.2	L.1.1, L.1.2, L.2.1
AB)	Funding for Texas Civil Commitment Office (TCCO) Client Services and Administration	\$5.0	\$0.0	\$0.0	(\$0.1)	\$4.9	M.1.1, M.1.2
AC)	Provide Transfer Authority for 2024-25 Appropriations for the Texas Pharmaceutical Initiative (TPI) into the 2026-27 Biennium	(\$150.0)	\$0.0	\$0.0	\$0.0	(\$150.0)	N.1.1
AD)	Funding to Biennialize Transfer of Family Support Services from the Department of Family and Protective Services	\$98.6	\$4.3	\$41.8	\$0.0	\$144.7	O.1.1, O.1.2, O.1.3, O.1.4, O.1.5, O.1.6

Health and Human Services Commission
Summary of Funding Changes and Recommendations - Senate

Funding Changes and Recommendations for the 2026-27 Biennium compared to the 2024-25 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):</i>							
AE)	Funding to Biennialize Statewide Salary Adjustments Included in the 2024-25 Appropriations	\$72.5	\$0.3	\$44.2	\$0.0	\$117.0	B.1.1, D.1.5, D.1.13, D.1.14, D.2.5, D.3.2, E.1.2, F.1.1, F.2.1, F.2.2, F.2.3, F.2.4, F.3.1, F.3.3, G.1.1, G.2.1, G.2.2, G.3.1, G.4.1, H.1.1, H.2.1, H.3.1, I.1.1, I.2.1, I.3.1, J.1.1, K.1.1, L.1.1, L.1.2, L.2.1, L.2.2, M.1.1, M.1.2, O.1.3, O.1.6
AF)	Remove One-time Funding for the Family Resource Website	(\$0.8)	\$0.0	\$0.0	\$0.0	(\$0.8)	D.1.14
AG)	Remove One-Time Funding Designated in Rider 108, One-time Funding for Facility Inflationary Costs, and Article IX, Section 18.39, Contingency for Senate Bill 24	(\$31.3)	\$0.0	(\$3.3)	\$0.0	(\$34.6)	D.1.14, G.1.1, G.2.1, G.2.2, L.1.1, L.1.2, L.2.1
AH)	Funding for Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	\$0.0	\$0.0	\$596.6	\$54.0	\$650.6	E.1.2
AI)	One-time Disaster Response, including Hurricane Beryl	(\$223.7)	\$0.0	(\$694.6)	\$0.0	(\$918.2)	E.1.3
AJ)	Funding for Regulatory, including Additional Funding for the Texas Unified Licensure Information Portal (TULIP)	\$12.7	\$0.0	\$10.0	(\$16.1)	\$6.6	H.1.1, H.2.1, H.3.1
AK)	Funding for Community Services Administration and Access, Including Funding to Modernize Medicaid Enterprise Systems (MES)	\$2.1	\$0.0	\$14.8	\$0.0	\$16.9	I.2.1

Health and Human Services Commission
Summary of Funding Changes and Recommendations - Senate

Funding Changes and Recommendations for the 2026-27 Biennium compared to the 2024-25 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
AL)	Other Changes, including: <ul style="list-style-type: none"> • General Revenue Changes, Including General Revenue Reductions for One-time Transfers in Blindness Education Screening and Treatment (BEST) and Reduced Information Technology Costs; • Federal Funds Changes, Primarily to Align Federal Funding with Anticipated Awards; and • Other Funds Changes, Primarily for Reduced Interagency Contracts or Anticipated Revenue Collections 	(\$1.0)	\$0.0	(\$4.7)	\$4.1	(\$1.5)	D.1.4, D.1.5, D.1.9, D.1.12, D.1.14, D.2.5, D.3.2, F.2.1, F.2.2, F.2.4, F.3.1, F.3.2, G.3.1, G.4.1, L.2.2
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		\$639.3	\$4.6	\$1,360.7	(\$110.0)	\$1,894.6	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$3,319.7	\$4.6	\$2,753.2	\$84.9	\$6,110.9	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		(\$2,680.4)	\$0.0	(\$1,392.5)	(\$194.9)	(\$4,216.3)	As Listed

NOTES:

- 1) Totals may not sum due to rounding.
- 2) Funding for COVID-19 Response excludes \$33.5 million in federal State Fiscal Recovery Funds reappropriated by Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023.

**Health and Human Services Commission
Selected Fiscal and Policy Issues - Senate**

1. **2026-27 Recommendations.** Recommendations for the Health and Human Services Commission (HHSC) are primarily impacted by the following approach:
- Utilize Legislative Budget Board (LBB) projections for fiscal years 2023 through 2027 for the following forecasted client services programs:
 - Medicaid and Children’s Health Insurance Program (CHIP);
 - Healthy Texas Women (HTW) and Family Planning Program;
 - Early Childhood Intervention (ECI) – Average Monthly Cost Per Child performance measure;
 - Home and Community-based Services – Adult Mental Health (HCBS-AMH) and Youth Empowerment Services (YES) waiver; and
 - Temporary Assistance for Needy Families (TANF) cash assistance.
 - Remove one-time funding for certain one-time capital budget projects, including construction projects at state mental health hospitals, or for other one-time actions, including those related to implementation of legislation or designated as one-time appropriations in the 2024-25 General Appropriations Act (GAA); and
 - Maintain higher fiscal year 2025 costs for salary adjustments and the transfer of programs and functions from the Department of Family and Protective Services (DFPS) to HHSC in each fiscal year of the 2026-27 biennium.

The 2024-25 base reflects the agency’s submitted base included in the 2026-27 Legislative Appropriations Request (LAR), with adjustments made to:

- Align full-time-equivalents (FTEs) with year-to-date averages reported by the State Auditor’s Office (SAO);
 - Reflect transfers for which the agency had provided notification or received approval for that are not reflected in the LAR; and
 - Utilize LBB projections for forecasted client services programs. **See Supplemental Schedule 3-1: Adjustments to 2024-25 Submitted Base, for further detail on base adjustments.**
2. **Budget Structure Changes.** Compared to the budget structure elements in the 2024-25 General Appropriations Act, the 2026-27 General Appropriations Bill was modified to address HHSC-requested changes submitted as part of the five-year strategic planning process required by Government Code 2056, to align with statutory changes, or to better align the budget structure with HHSC’s operational structure. This includes the consolidation of 17 strategies in Goal A, Medicaid Client Services, and 3 strategies in Objective D.2, Provide Community Behavioral Health Services. Appropriations for the legacy strategies are maintained as new informational riders in the 2026-27 General Appropriations Bill. **See Supplemental Schedule 3-2, Adjustments to HHSC’s 2024-25 Budget Structure Elements, for the full list of modifications reflected in the 2026-27 General Appropriations Bill.**
3. **Changes to Statutory References.** The Texas Legislative Council (TLC) is statutorily required to prepare and submit to the legislature, in bill form, statutory revisions on a topical or code basis. House Bill 4611, Eighty-eighth Legislature, Regular Session, 2023, made non-substantive revisions to health and human services laws governing HHSC by reorganizing statutes to make them more accessible, understandable, and usable, including adding new chapters to or repealing chapters in the Government Code. Pursuant to House Bill 4611, the legislation is intended as a recodification only and will take effect April 1, 2025. As a result of the legislation, certain Government Code chapters impacting HHSC are repealed and replaced with the reorganized Government Code chapters on April 1, 2025. It is assumed another bill will be filed during the Eighty-ninth Legislative Session to address any technical items with statutes. **Recommendations propose making conforming, non-substantive technical corrections and to update Government Code references during the 2026-27 interim to align with House Bill 4611 and subsequent legislation passed during the Eighty-ninth Legislative Session to allow for all changes to be made comprehensively.** This will impact riders in the final 2026-27 General Appropriations Bill, the Informational Program Listing for the 2026-27 biennium, and elements of certain performance measures. References to the previous structure will remain valid and do not impact the implementation or interpretation of the impacted rider.

4. COVID-19 Response.

- *Federal Funding:* Excluding federal funding received due to increases in the Federal Medical Assistance Percentage (FMAP), HHSC has received \$2,313.0 million in federal funding related to the COVID-19 pandemic through November 2024, as reported by the agency. **Recommendations for the 2026-27 biennium do not assume the receipt of any federal COVID-19 funding.** This is a reduction of \$627.3 million in federal funds relative to 2024-25 biennial spending levels. Reductions include \$267.8 million in supplemental Mental Health and Substance Use Prevention, Treatment, and Recovery Services block grant awards used to expand outpatient treatment, substance use treatment, housing initiatives, and other related projects. Reductions also include \$33.5 million from the Coronavirus State Fiscal Year Recovery Fund. Funds were appropriated to HHSC by Senate Bill 8, Eighty-seventh Legislature, Third-called Session, 2023, to expand capacity at Sunrise Canyon Hospital and to create or update certain Medicaid and CHIP provider data and eligibility systems.
- *Freed-Up General Revenue for One-time Projects:* The federal American Rescue Plan Act (ARPA) provided for a 10.0 percentage point increase to the FMAP for Home and Community-based Services (HCBS), resulting in freed-up General Revenue. The state was required to use the General Revenue savings attributable to the increased FMAP to support, not supplant, activities that enhanced or strengthened HCBS, along with other maintenance of effort (MOE) requirements. HHSC requested and received approval to spend the freed-up General Revenue towards several projects focused on bolstering HCBS provider and recipient supports and conducting system and infrastructure changes. **Recommendations do not assume the continuation of the freed-up General Revenue due to the one-time nature of the funding availability and project uses, resulting in a decrease of \$40.4 million in General Revenue (\$62.8 million in All Funds).**

5. **Reductions Related to Supplemental Appropriations.** Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, increased HHSC’s appropriation authority in fiscal year 2023 by \$2,193.2 million in General Revenue (\$2,193.2 million in All Funds), including \$2,154.3 million in General Revenue (\$2,154.4 million in All Funds) for new capacity for mental health services and inpatient facilities. The legislation also reappropriated unexpended balances for items originally appropriated in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, and Senate Bill 8, Eighty-eighth Legislature, Third-called Session, 2021, for the same purpose. Pursuant to authority granted in Senate Bill 30, HHSC transferred most of the appropriations from fiscal year 2023 to the 2024-25 biennium. **Recommendations do not assume the continuation of the supplemental appropriations, resulting in a decrease of \$2,204.7 million in General Revenue (\$2,383.8 million in All Funds).** The table below shows decreases by item of appropriation. **See Supplemental Schedule 3-3, Senate Bill 30 Inpatient Mental Health Projects, for additional details on appropriations provided for inpatient construction in Senate Bill 30.**

Reductions Related to Supplemental Appropriations

Item	General Revenue	Federal Funds	Other Funds	All Funds
Senate Bill 30, Section 3.02, New Capacity for Mental Health Services and Inpatient Facilities	\$ (2,154,251,575)	\$ (48,206)	\$ -	\$ (2,154,299,781)
Senate Bill 30, Section 3.09, Alternatives to Abortion	\$ (14,440,969)	\$ -	\$ -	\$ (14,440,969)
Senate Bill 30, Section 3.13, Indigent and Low-income Health	\$ (1,000,000)	\$ -	\$ -	\$ (1,000,000)
Senate Bill 30, Section 9.02(a)(5), Motor Vehicle Purchases	\$ (7,850,000)	\$ -	\$ -	\$ (7,850,000)
Items Originally Appropriated in House Bill 2, 87R	\$ (27,195,373)	\$ (132,440,400)	\$ (13,105,914)	\$ (172,741,687)
Items Originally Appropriated in Senate Bill 8, 87(3)	\$ -	\$ (33,505,542)	\$ -	\$ (33,505,542)
Total 2026-27 Reduction	\$ (2,204,737,917)	\$ (165,994,148)	\$ (13,105,914)	\$ (2,383,837,979)

Source: Legislative Budget Board

Notes:

- 1) House Bill 2 items of appropriation include Medicaid Management Information System (MMIS) Modernization, motor vehicle replacement, and other information technology projects.
- 2) Senate Bill 8 items of appropriation include construction for expanded capacity at Sunrise Canyon Hospital and certain Medicaid and CHIP provider data and eligibility systems.

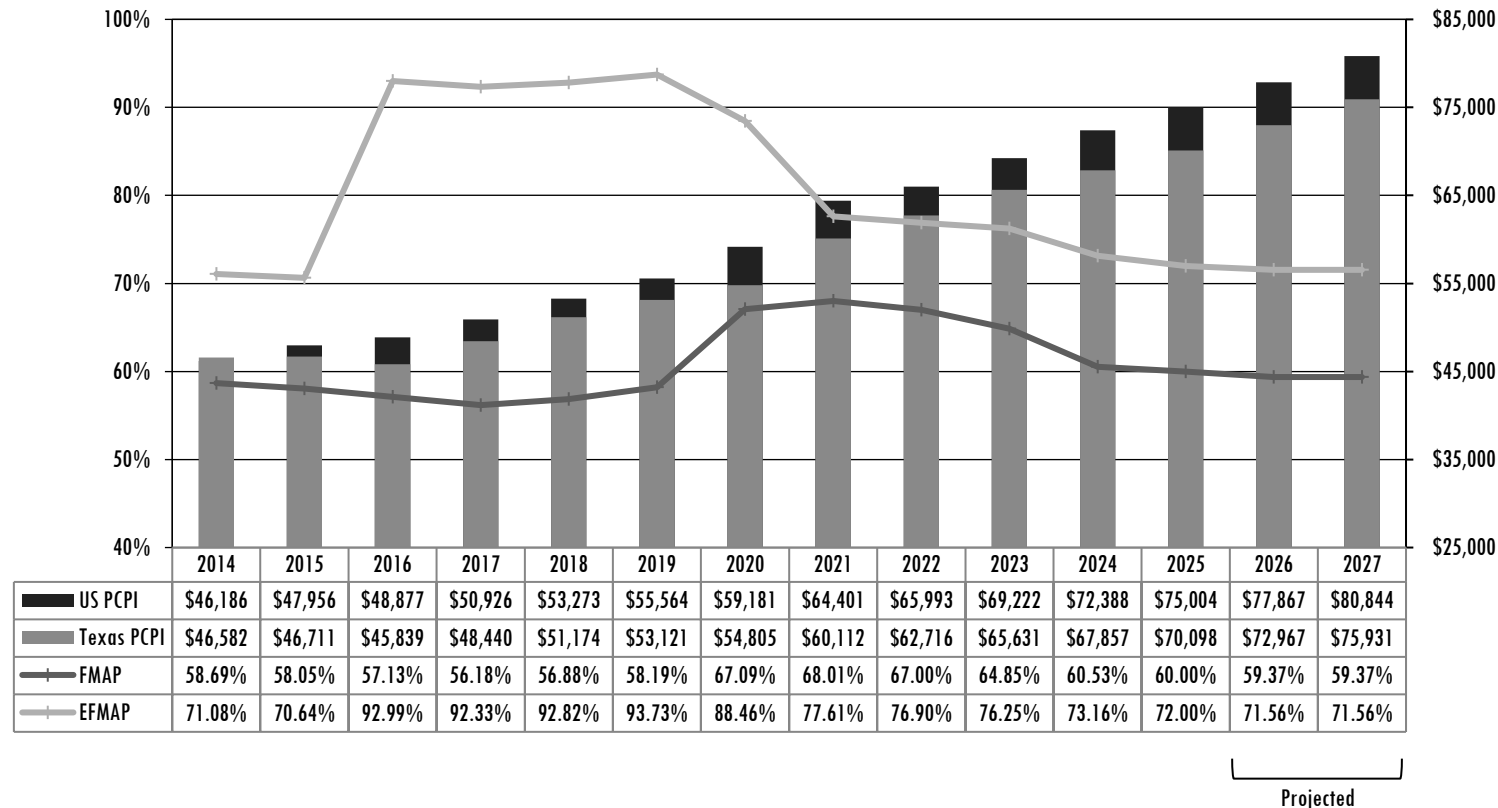
- 6. Health and Human Services Program Financing.** Financing the many health and human services programs at the agency is based on an array of matching rates that determine the amount of state (General Revenue, General Revenue-Dedicated, and Other Funds) and federal funds. The primary match rate for Medicaid client services is the Federal Medical Assistance Percentage (FMAP). Each state has a different FMAP, ranging from 50 to 83 percent, based on its per capita personal income (PCPI) relative to the nation's PCPI.

The CHIP program (client services and administrative services) is matched at the Enhanced Federal Medical Assistance Percentage (EFMAP), a more favorable rate that is a 30 percent reduction to the state's share under the regular FMAP.

In March 2020, Congress passed the Families First Coronavirus Response Act (FFCRA). The FFCRA provided for a 6.2 percentage point increase to the FMAP rate. The 6.2 percentage point increase was available from January 1, 2020, through March 31, 2023. The increase then stepped down quarterly, providing a 5.0 percentage point increase from April 1, 2023, through June 30, 2023, a 2.5 percentage point increase from July 1, 2023, through September 30, 2023, and a 1.5 percentage point increase from October 1, 2023, through December 31, 2023, before ending on January 1, 2024. The 6.2 percentage point increase to FMAP pursuant to FFCRA was also incorporated into the EFMAP formula, resulting in an increase of 4.3 percentage points to the EFMAP from January 1, 2020, through March 31, 2023. The increased EFMAP followed the same quarterly step-down process, providing a 3.5 percentage point increase from April 1, 2023, through June 30, 2023, a 1.8 percentage point increase from July 1, 2023, through September 30, 2023, and a 1.1 percentage point increase from October 1, 2023, through December 31, 2023, before ending on January 1, 2024.

The chart below shows the Texas FMAP and EFMAP (with the increases authorized by the FFCRA) for federal fiscal years (FFYs) 2014 through 2027. The federal fiscal year 2026 FMAP is estimated and will be finalized November 2024. The final federal fiscal year 2027 FMAP will not be available until the fall of 2025.

FMAP, EFMAP, and Per Capital Income (PCPI), Federal Fiscal Year (FFY) 2014 to 2027



Notes: Reflects FFY regular FMAs and EFMAPs. Values for FFY 2020 through FFY 2024 adjusted to reflect increased FMAs and EFMAPs related to the FFCRA that were applied during the Public Health Emergency. The increased FMAP was decreased quarterly beginning in April 2023 and ending January 2024.

EFMAPs reflect a 23.0 percentage point increase in FFY 2016 through FFY 2019 pursuant to the federal Affordable Care Act and an 11.5 percentage point increase in FFY 2020 pursuant to the federal HEALTHY Kids Act.

Per capita personal income is the average of the most recent three years available at the time each FMAP was calculated and does not include any updates to the data made after that time. For example, FFY 2021 FMAP is based on the average of 2016 to 2018 per capita personal income as reported by the Bureau of Economic Analysis in September 2019.

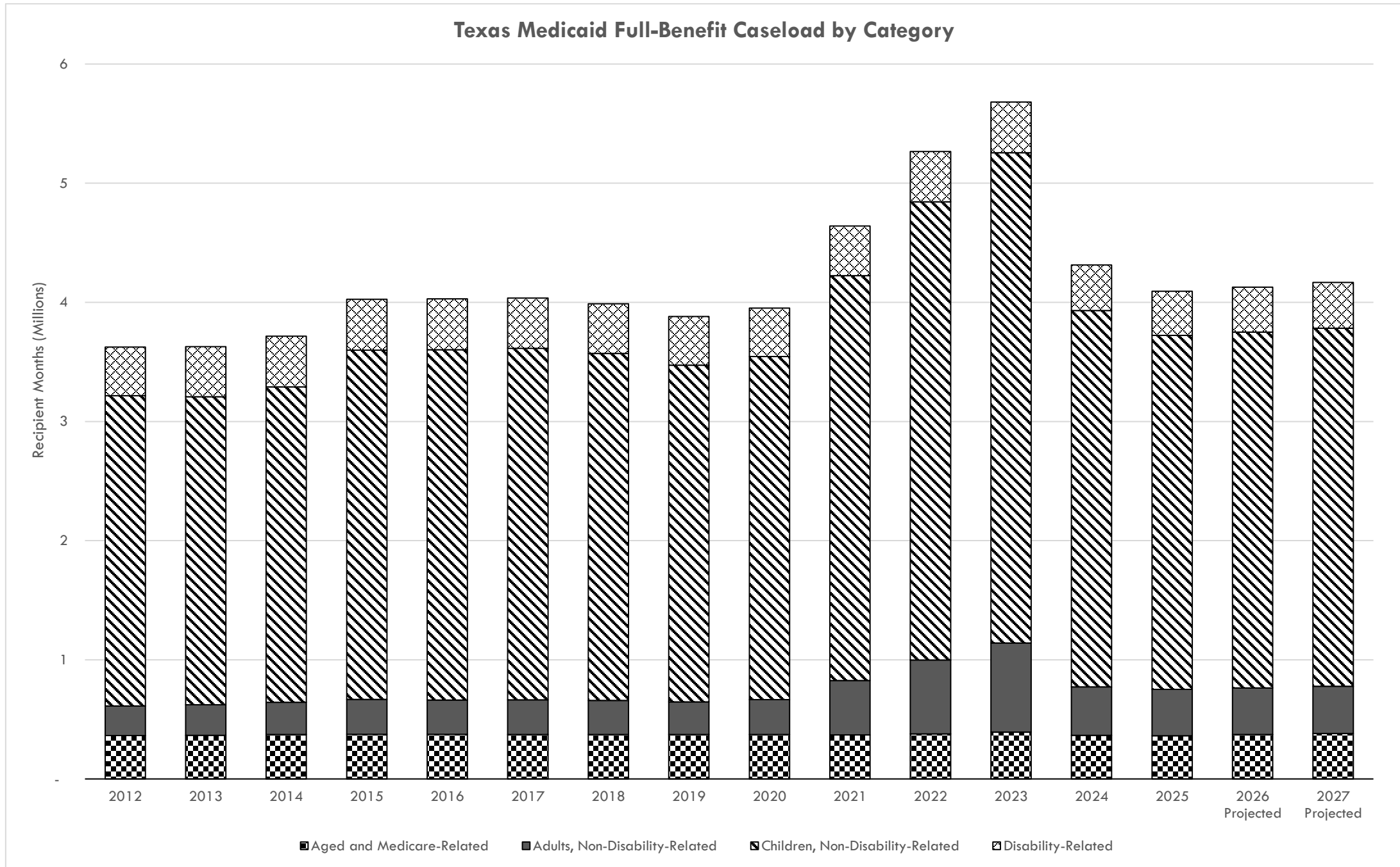
Projected

Other matching rates are available for client services in the Medicaid program including 90/10 federal/state for family planning services, an enhanced match under the Community First Choice Program for certain long-term care services, and a 50 percent reduction to the state share under FMAP for certain services provided through the Money Follows the Person Demonstration. Most administrative services under Medicaid receive a 50 percent federal match, but some services are eligible for 75/25 or 90/10 federal/state matching rates.

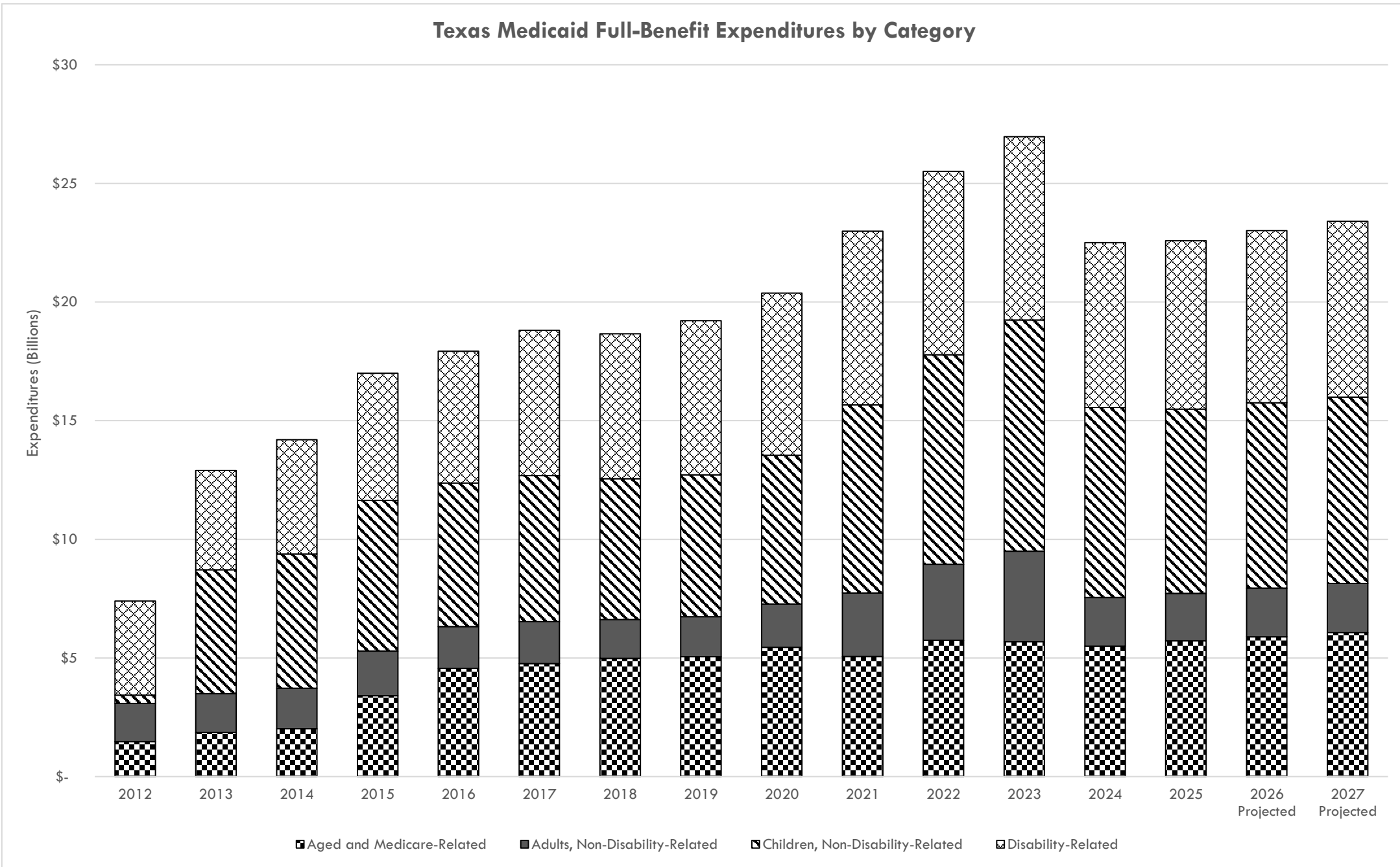
As FMAP and EFMAP rates are established for federal fiscal years, they will not align perfectly to state fiscal years. Match rates assumed in Article II projections are included in Special Provisions Relating to All Health and Human Services Agencies, Section 4, Federal Match Assumptions and Limitations on Use of Available General Revenue Funds, 2026-27 General Appropriations Bill.

- 7. Medicaid Client Services.** Recommendations for the 2026-27 biennium include \$29,771.1 million in General Revenue and General Revenue-Dedicated Funds (\$74,374.7 million in All Funds), an increase of \$2,537.5 million in General Revenue (\$4,337.9 million in All Funds) compared to the LBB 2024-25 adjusted base. The increase in Medicaid recipients accounts for an increase of \$208.5 million in General Revenue (\$506.1 million in All Funds). Additionally, the historical increase in per member per month rates accounts for an increase of \$477.4 million in General Revenue (\$1,500.8 million in All Funds). Changes in federal program eligibility, grant amounts, and the FMAP account for an increase of \$925.9 million in General Revenue and a decrease in the same amount in federal funds. Recommendations do not include an estimated increase of \$995.2 million in General Revenue (\$2,473.2 million in All Funds) for continued cost growth. Other increases include:
- a. *Base Wage Increase for Personal Attendant Services.* Recommendations for the 2026-27 biennium include \$705.7 million in General Revenue (\$1,783.4 million in All Funds) in Goal A, Medicaid Client Services, to increase the base wage for personal attendant services to \$12.00 per hour. Recommendations also include \$50.5 million in General Revenue (\$52.1 million in All Funds) in Strategy D.2.3, Behavioral Health Waiver and Plan Amendment, and Strategy F.1.2, Non-Medicaid Services, for this purpose.
 - b. *Rate Increase for Nursing Facilities.* Recommendations for the 2026-27 biennium include \$214.4 million in General Revenue (\$533.9 million in All Funds) to increase the dietary subcomponent and the facility and operations subcomponent of the Medicaid reimbursement rate for nursing facilities.
 - c. *Rate Increase for Certain Maternal Fetal Medicine Radiological Services.* Recommendations for the 2026-27 biennium include \$5.5 million in General Revenue (\$13.6 million in All Funds) to increase the Medicaid reimbursement rate for maternal fetal medicine radiological services.

The figures below show Medicaid full-benefit caseloads and expenditures from fiscal year 2012 to fiscal year 2027, including LBB projections for the 2026-27 biennium.



Source: Health and Human Services Commission; Legislative Budget Board



Source: Health and Human Services Commission; Legislative Budget Board

Texas Medicaid Caseload and Expenditures by Category

		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 ¹	2027 ¹
Aged and Medicare-Related	Caseload	363,770	366,748	372,332	374,105	373,933	373,516	373,305	372,266	373,051	369,157	378,147	394,244	366,264	362,816	372,172	382,091
	Expense ²	\$ 1,472	\$ 1,858	\$ 2,012	\$ 3,409	\$ 4,558	\$ 4,759	\$ 4,982	\$ 5,053	\$ 5,446	\$ 5,061	\$ 5,743	\$ 5,680	\$ 5,498	\$ 5,722	\$ 5,891	\$ 6,067
Disability-Related	Caseload	408,916	420,327	425,752	426,973	427,411	421,260	416,937	409,409	406,874	417,274	422,578	425,702	382,884	370,647	377,301	384,506
	Expense ²	\$ 3,964	\$ 4,191	\$ 4,811	\$ 5,356	\$ 5,562	\$ 6,129	\$ 6,110	\$ 6,490	\$ 6,832	\$ 7,312	\$ 7,728	\$ 7,734	\$ 6,954	\$ 7,098	\$ 7,258	\$ 7,407
Adults, Non-Disability-Related	Caseload	247,672	256,146	271,462	293,485	287,626	290,292	285,918	273,997	292,040	456,770	620,412	746,674	406,186	389,425	392,112	394,984
	Expense ²	\$ 1,607	\$ 1,638	\$ 1,714	\$ 1,876	\$ 1,760	\$ 1,776	\$ 1,637	\$ 1,689	\$ 1,831	\$ 2,681	\$ 3,204	\$ 3,823	\$ 2,044	\$ 1,996	\$ 2,046	\$ 2,071
Children, Non-Disability-Related	Caseload	2,604,401	2,585,114	2,645,851	2,931,230	2,940,693	2,950,221	2,911,774	2,826,076	2,879,911	3,397,475	3,844,971	4,113,986	3,158,524	2,969,692	2,985,881	3,005,093
	Expense ²	\$ 354	\$ 5,212	\$ 5,660	\$ 6,362	\$ 6,050	\$ 6,146	\$ 5,931	\$ 5,981	\$ 6,266	\$ 7,930	\$ 8,829	\$ 9,733	\$ 8,010	\$ 7,769	\$ 7,816	\$ 7,858

Source: Health and Human Services Commission; Legislative Budget Board

Notes:

- 1) 2026-27 reflects LBB-projected caseload and expense.
- 2) Expense is listed in millions.

8. CHIP Client Services. Recommendations for the 2026-27 biennium include \$318.6 million in General Revenue (\$1,121.1 million in All Funds), an increase of \$27.7 million in General Revenue (\$74.5 million in All Funds) compared to the LBB 2024-25 adjusted base. The increase in CHIP recipients accounts for an increase of \$16.9 million in General Revenue (\$59.6 million in All Funds). Additionally, the historical increase in per member per month rates accounts for an increase of \$4.2 million in General Revenue (\$14.9 million in All Funds). Lastly, changes in federal program eligibility, grant amounts, and the EFMAR account for an increase of \$6.6 million in General Revenue and a decrease in the same amount in federal funds. Recommendations do not include an estimated increase of \$9.9 million in General Revenue (\$34.7 million in All Funds) for continued cost growth.

9. Medicaid and CHIP Contracts and Administration. Recommendations for Medicaid and CHIP Contracts and Administration include \$521.8 million in General Revenue (\$1,545.9 million in All Funds) for the 2026-27 biennium. This is a decrease of \$37.1 million in General Revenue (\$274.4 million in All Funds) for the following adjustments:

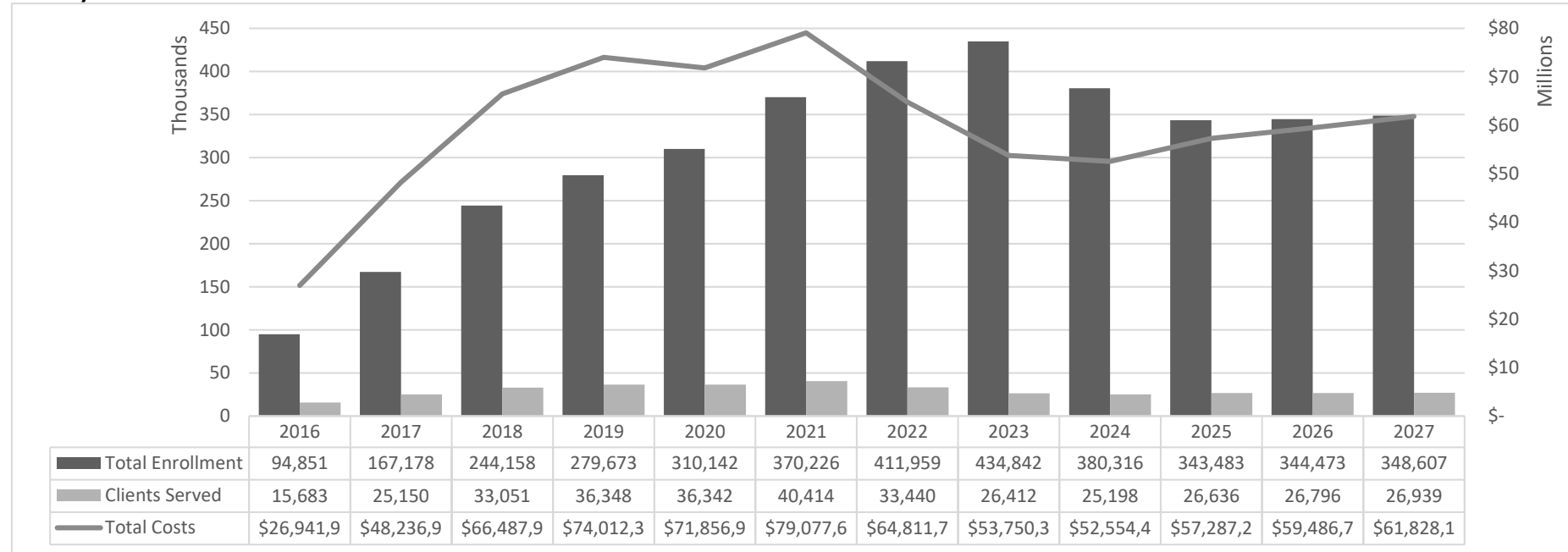
- An increase of \$16.6 million in General Revenue (\$89.8 million in All Funds) for select information technology projects. Recommendations fully address the Strategy B.1.1, Medicaid and CHIP Contracts and Administration, components of HHSC LAR Exceptional Items 2(d), New Genesys Cost; 3(f), IT Staff Augmentation Contractors; 4, Modernize Medicaid Enterprise Systems; 16, Client Led Service Planning in STAR+PLUS; and 20(g), Medicaid Legacy Mainframe Modernization.
- An increase of \$1.4 million in General Revenue (\$3.2 million in All Funds) to maintain higher fiscal year 2025 costs for statewide salary adjustments;
- An increase of \$0.5 million in General Revenue (\$2.0 million in All Funds) to maintain higher fiscal year 2025 costs for the Medicaid and CHIP provider data internet portal and to support new Medicaid waiver slot enrollments;
- A decrease of \$22.3 million in General Revenue (\$172.0 million in All Funds) related to one-time funding appropriated in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, for information technology modernization projects and technology updates;
- A decrease of \$108.9 million in Federal Funds based on HHSC-projected changes in federal reimbursement;
- A decrease of \$22.1 million in General Revenue (\$44.3 million in All Funds) related to one-time projects funded by freed-up General Revenue made available as a result of the 10.0 percentage point increase in the FMAP for Home and Community-based Services (HCBS) included in the American Rescue Plan Act (ARPA);
- A decrease of \$11.0 million in General Revenue (\$23.1 million in All Funds) related to one-time funding provided in the 2024-25 GAA for the nursing facility Patient Driven Payment Model (PDPM) conversion, to report on charity care and hospital transparency, and to make system upgrades to the Texas Medicaid and Health Partnership (TMHP) to report on the non-medical health-related needs of eligible pregnant women pursuant to House Bill 1575, Eighty-eighth Legislature, Regular Session, 2023;
- A decrease of \$20.8 million in Other Funds based on assumed reductions in Medicaid Subrogation Receipts. Pursuant to HHSC Rider 89, Subrogation Receipts, and Rider 101, Limitations on Transfer Authority, 2026-27 General Appropriations Bill, HHSC is authorized to collect and spend Medicaid Subrogation Receipts above appropriated levels; and

- A decrease of \$0.3 million in General Revenue to maintain lower fiscal year 2025 costs for Medicaid and CHIP contract cost growth. Recommendations partially address HHSC LAR Exceptional Item 3(e), Maintain Contracts. **Recommendations include \$22.7 million in General Revenue in each fiscal year of the 2026-27 biennium for this purpose.**

10. Women’s Health Programs. Recommendations for the 2026-27 biennium include \$191.8 million from the General Revenue Fund (\$299.1 million from All Funds), an increase of \$29.7 million from the General Revenue Fund (\$34.8 million from All Funds) compared to the 2024-25 adjusted base. The increase is primarily driven by increased clients served following the end of continuous enrollment due to the public health emergency (PHE).

- a. *Healthy Texas Women (HTW).* Recommendations for the 2026-27 biennium include \$58.7 million from the General Revenue Fund (\$143.0 million from All Funds) for client services provided under the HTW 1115 demonstration waiver. This is an increase of \$4.2 million from the General Revenue Fund (\$11.5 million from All Funds) from 2024-25 adjusted base. Recommendations fund LBB forecasted HTW client services for the 2026-27 biennium. LBB forecast does not include cost growth; however, caseload growth is assumed.
 - i. *Healthy Texas Women Forecasted Caseload.* Though clients served are projected to increase for Healthy Texas Women (HTW), caseloads are not assumed to reach pre-Public Health Emergency (PHE) levels due to increased Medicaid eligibility following the enactment of House Bill 12, Eighty-eighth Legislature, Regular Session, 2023. The increase in HTW clients served accounts for an increase of \$1.2 million from the General Revenue Fund (\$4.0 million from All Funds). Additionally, the increase in average cost per client accounts for an increase of \$2.3 million from the General Revenue Fund (\$7.5 million from All Funds). Lastly, the decreased FMAP accounts for an increase of \$0.8 million from the General Revenue Fund and a decrease in the same amount from federal funds.

Healthy Texas Women Total Enrollment v. Clients Served with Total Costs for Clients Served



Source: Health and Human Services Commission; Legislative Budget Board

Note:

- 1) Fiscal Year 2024 is estimated, fiscal year 2025 is budgeted, and fiscal years 2026-27 are recommendations.
- 2) Total Costs do not include appropriations outside of client services for HTW.

- ii. *HTW 1115 Demonstration Waiver.* HHSC received initial approval from the Centers for Medicare & Medicaid Services (CMS) for the Healthy Texas Women Section 1115 Demonstration Waiver on January 22, 2020, which is effective through December 31, 2024. On December 17, 2024, CMS provided HHSC with an extension on the Demonstration Waiver, set to expire on June 30, 2025. HTW services receive various matching rates, including 90/10 (federal/state share) for family planning services and FMAP for non-family planning services.

Recommendations for the 2026-27 biennium assume approval of the waiver extension application. If the waiver extension application is not approved, the agency will require additional from the General Revenue Funds in fiscal years 2026 and 2027 to maintain current service levels. Fiscal year 2025 may require an appropriation from the General Revenue Fund; however, the exact amount is unknown at this time. It is assumed that a supplemental appropriation for this purpose could be appropriated to the agency for fiscal year 2025.

- iii. *HTW Plus Services.* HTW Plus, a limited postpartum care package in HTW, was created by Senate Bill 750, Eighty-sixth Legislature, Regular Session, 2019, with services starting September 1, 2020. HHSC submitted a request to amend the HTW 1115 Demonstration Waiver to include HTW Plus services on December 3, 2020, but the agency did not receive approval from CMS.

Recommendations for the 2026-27 biennium fully fund the total cost of HTW Plus Services, as forecasted by LBB, which includes less than \$0.1 million from the General Revenue Fund (\$0.2 million from All Funds), a net increase from 2024-25 adjusted base. Recommendations in the 2026-27 biennium assume the waiver amendment will be approved. If the waiver amendment is not approved, HHSC will be directed by rider to seek to transfer funds from other sources prior to making any reductions to service levels. HHSC's base request included funding for HTW Plus in General Revenue with no assumed match.

- iv. *Cost-Reimbursement Contracts.* Recommendations include \$21.7 million from the General Revenue Fund for the 2026-27 biennium for cost-reimbursement contracts, maintaining fiscal year 2025 estimated spending levels for this purpose. Cost reimbursement contracts are not covered by the HTW Section 1115 Demonstration Waiver and are 100 percent state funded.

- b. *Family Planning Program (FPP).* Recommendations include \$126.2 million from the General Revenue Fund (\$131.5 million from All Funds) for FPP. Recommendations reflect an increase of \$25.5 million from the General Revenue Fund (\$23.5 million from All Funds). This includes:

- i. An increase in Family Planning clients served accounts for an increase of \$5.8 million from the General Revenue Fund (\$5.8 million from All Funds) to maintain fiscal year 2025 estimated spending levels. The average cost per client is assumed to be stable;
- ii. An increase in the Family Planning Program's Grants, accounting for an increase of \$17.7 million from the General Revenue Fund (\$17.7 million from All Funds) for funding to expand Women's Preventive Mobile Health Unit services (LAR Exceptional Item #5(b) Federal Cuts related to Women's and Children's Health Services (Women's Health: Prevention and Outreach)); and
- iii. A decrease of \$2.1 million from All Funds due primarily to align with anticipated federal awards.

- c. *Breast and Cervical Cancer Services (BCCS).* Recommendations include \$6.9 million from the General Revenue Fund (\$24.6 million from All Funds) for BCCS. Recommendations maintain fiscal year 2025 estimated spending levels, which result in a net decrease of \$0.2 million from All Funds. The decrease includes a less than \$0.1 million decrease from Federal Funds, primarily due to aligning the Texas Cancer Prevention and Control funding with the estimated award, and a decrease of \$0.1 million in Appropriated Receipts (Other Funds) related to a one-time donation in fiscal year 2024.

Total General Revenue Appropriations and All Funds Appropriations by Women’s Health Program (millions)

Fiscal Years	Healthy Texas Women (HTW)		Family Planning Program (FPP)		Breast & Cervical Cancer Services		Total, D.1.1, Women's Health Programs	
	General Revenue Funds	All Funds	General Revenue Funds	All Funds	General Revenue Funds	All Funds	General Revenue Funds	All Funds
2024-25	\$ 54.5	\$ 131.5	\$ 100.7	\$ 108.2	\$ 6.9	\$ 24.8	\$ 162.2	\$ 264.3
2026-27	\$ 58.7	\$ 143.0	\$ 126.2	\$ 131.5	\$ 6.9	\$ 24.6	\$ 191.8	\$ 299.1

Source: Legislative Budget Board

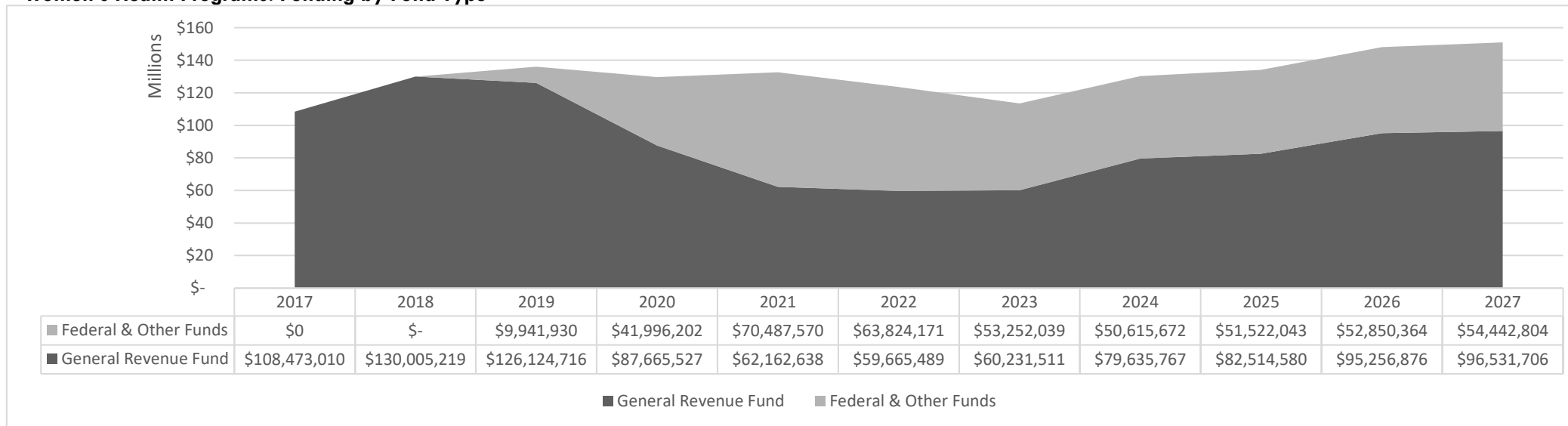
Notes:

- 1) Fiscal Year 2024 is estimated, fiscal year 2025 is budget, and fiscal years 2026-27 are recommendations.
- 2) Fiscal years 2026 and 2027 represent LBB forecasted caseloads for HTW and FPP.

d. *Administration.* The administrative funding for Women’s Health programs is appropriated to Strategy D.1.14, Primary Health and Specialty Care Administration, to consolidate direct administration for similar programs under one strategy and increase transparency on funding for client services.

Recommendations for Women’s Health in Strategy D.1.14, Primary Health and Specialty Care Administration include \$17.1 million from the General Revenue Fund (\$20.1 million from All Funds). Recommendations reflect a decrease of \$0.2 million from the General Revenue Fund (\$0.7 from All Funds) due primarily to aligning the General Revenue Fund match for Medicaid and estimated federal awards.

Women’s Health Programs: Funding by Fund Type



Source: Legislative Budget Board

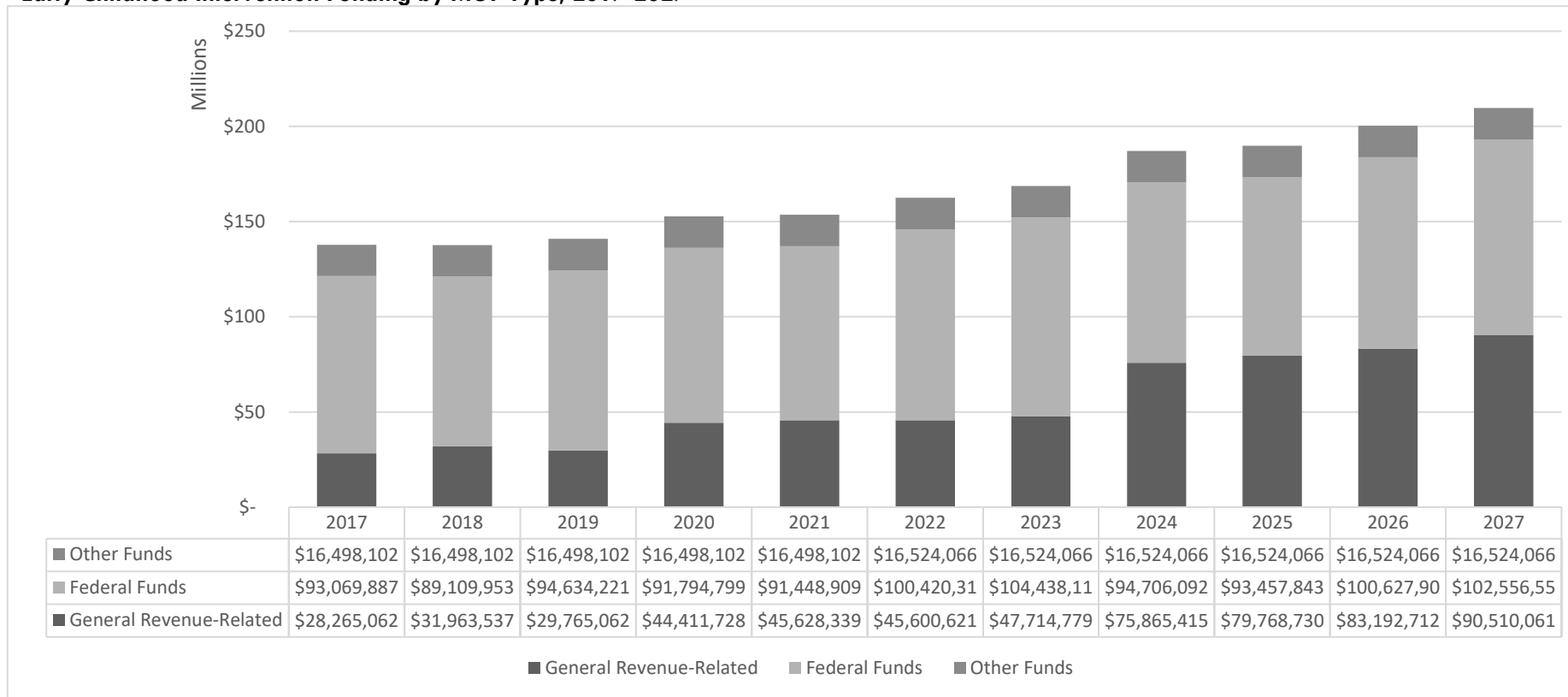
Note: Fiscal Year 2024 is estimated, fiscal year 2025 is budgeted, and fiscal years 2026-27 are recommendations.

11. Thriving Texas Families. Thriving Texas Families (TTF), formerly known as Alternatives to Abortion (A2A), was codified by Senate Bill 24, Eighty-eighth Legislature, Regular Session, 2023. TTF promotes childbirth and provides support services to pregnant women, their families, and adoptive parents throughout the state. In the 2024-25 biennium, appropriations included \$140.0 million from the General Revenue Fund (\$140.0 million from All Funds) for Strategy D.1.2, Thriving Texas Families (previously named Alternatives to Abortion).

Recommendations maintain 2024-25 appropriation level of \$140.0 million from the General Revenue Fund (\$140.0 million from All Funds) for Strategy D.1.2, Thriving Texas Families, into the 2026-27 biennium.

12. Early Childhood Intervention (ECI). Recommendations include \$173.7 million from the General Revenue Fund (\$409.9 million from All Funds) in the 2026-27 biennium for Strategy D.1.3, ECI Services, which is an increase of \$18.1 million from the General Revenue Fund (\$33.4 million from All Funds) from the 2024-25 adjusted base. Recommendations include the agency’s forecasted caseloads. Recommendations fully fund LAR Exceptional Item #5(a), Federal Cuts Related to Women’s and Children’s Health Services (ECI), in the 2026-27 biennium.

Early Childhood Intervention Funding by MOF Type, 2017-2027



Source: Legislative Budget Board

Note: Fiscal Year 2024 is estimated, fiscal year 2025 is budgeted, and fiscal years 2026-27 are recommendations.

After a decline in caseloads in fiscal year 2020 related to the COVID-19 pandemic, caseloads have grown since fiscal year 2021 and are expected to continue increasing in alignment with population projections. Recommendations for the 2026-27 biennium fund agency-projected caseload growth at the average monthly cost per child of \$440.54, the target established in the 2024-25 GAA. This includes \$103.8 million from IDEA Part C funding (Federal Funds), which is an increase of \$4.6 million based on caseload growth and an available balance of IDEA Part C funds. Recommendations increase appropriations from the General Revenue Fund by \$18.1 million, which would increase maintenance-of-effort requirements for the IDEA Part C award and would need to be maintained in subsequent biennia.

- 13. **Mobile Stroke Units.** Recommendations include \$40.9 million from the General Revenue Fund (\$40.9 million from All Funds) in the 2026-27 biennium for Strategy D.1.10, Additional Specialty Care. This includes \$5.0 million from the General Revenue Fund (\$5.0 million from All Funds) for mobile stroke units, including Rider 69, Stroke Treatment and Response, 2026-27 General Appropriations Bill.
- 14. **Additional Mental Health Funding from the Eighty-eighth Legislative Session.** HHSC Rider 52, Informational Listing: Additional Mental Health Funding, 2024-25 GAA, outlined \$821.8 million in General Revenue appropriated for frontline staff, community inpatient bed expansion, step-down and transition services at the mental health state hospitals, crisis services, program expansion for high-risk children, and behavioral health administration. **Recommendations include \$873.7 million in General Revenue for this purpose, which is an increase of \$52.0 million in General Revenue. Recommendations do not maintain the informational rider.**

Appropriations largely maintain 2024-25 appropriated levels for programs, with increases to maintain fiscal year 2024 appropriations for the crisis stabilization facility at the local mental health authority (LMHA) that serves Montgomery, Walker, and Liberty counties in each fiscal year of the 2026-27 biennium; additional funding for crisis services at the LMHA serving Galveston County; additional funding for youth mobile crisis outreach teams (YCOT); and funding to maintain General Revenue that the agency transferred from Strategy D.2.4, Community Mental Health Grant Programs, for additional oversight and administration of the Mental Health Early Intervention and Treatment (SMART) Grant Program.

Recommendations by purpose are listed in the table below. See **Supplemental Schedule 3-4: Recommendations for Rider 52 Funding**, for additional details on agency program implementation during the 2024-25 biennium.

General Revenue Recommendations Related to HHSC Rider 52, Informational Listing: Additional Mental Health Funding, 2024-25 GAA

Rider Section	Purpose	2024-25 Appropriations	2026-27 Recommendations	Biennial Change
a	HHSC Frontline Staff	\$ 338,140,632	\$ 338,140,632	\$ -
b	Expansion of Community Inpatient Beds	\$ 335,195,930	\$ 335,195,930	\$ -
c	Step-down Housing and State Hospital Transitions	\$ 22,000,000	\$ 22,000,000	\$ -
d	Crisis Services	\$ 72,000,000	\$ 123,479,184	\$ 51,479,184
e	Expansion of Programs for High-Risk Children	\$ 49,650,000	\$ 49,650,000	\$ -
f	Behavioral Health Administration	\$ 4,788,114	\$ 5,263,848	\$ 475,734
TOTAL		\$ 821,774,676	\$ 873,729,594	\$ 51,954,918

Source: Legislative Budget Board

- 15. **Community Mental Health Services. Recommendations for Strategy D.2.1, Community Mental Health Services, include \$1,203.3 million in General Revenue (\$1,412.0 million in All Funds) for community mental health programs, including adult, children, and crisis services.** This is an increase of \$63.4 million in General Revenue (a decrease of \$77.8 million in All Funds) from the 2024-25 biennium. Recommendations also add a new rider to provide an informational listing of appropriations for adult, children, and crisis mental health funding to preserve the legacy 2024-25 budget structure reporting of appropriations for each type of service. The 2026-27 budget structure consolidates three community mental health strategies for adults, children, and crisis services into a single strategy.

Recommendations provide the following increases:

- an increase of \$40.0 million in General Revenue for youth mobile crisis outreach teams (YCOTs), including funding to establish at least eight new YCOTs;
- an increase of \$9.0 million in General Revenue to support crisis services at the local mental health authority (LMHA) serving Galveston County; and

- an increase of \$2.5 million in General Revenue to maintain fiscal year 2024 appropriations for the crisis stabilization facility at the LMHA that serves Montgomery, Walker, and Liberty counties in each fiscal year of the 2026-27 biennium.

Recommendations also reallocate \$12.0 million in General Revenue for crisis stabilization facilities and extended observation units from Strategy G.2.2, Mental Health Community Hospitals, to group all crisis facility funding together in Strategy D.2.1, Community Mental Health Services, and reserve Strategy G.2.2, Mental Health Community Hospitals, for appropriations related to contracted inpatient capacity.

These increases are offset by decreases of \$112.0 million in Federal Funds related to the COVID-19 response, \$29.0 million in Federal Funds for other adjustments to projected federal funds expenditures, primarily related to agency-projected decreases in the Community Mental Health Services Block Grant award, and \$0.2 million in Other Funds related to a pilot for crisis prevention.

16. Substance Use Services. Recommendations for Strategy D.2.2, Substance Use Prevention, Intervention, and Treatment, include \$98.2 million in General Revenue (\$500.1 million in All Funds) for substance use prevention, intervention, treatment, and recovery support services. This is a decrease of \$210.6 million in Federal Funds from the 2024-25 biennium related to decreases of \$116.1 million in Federal Funds related to COVID-19 response and \$44.5 million in Federal Funds for other adjustments to projected federal funds expenditures, primarily related to agency-projected decreases in the Substance Use Prevention, Treatment, and Recovery Services (SUBG) Block Grant award. Other highlights related to substance use services are noted below.

- *SUBG Name Change:* The federal Consolidated Appropriations Act, 2023, revised provisions for the Substance Abuse Prevention and Treatment Block Grant program to replace the term substance abuse with substance use, authorized the use of the grant for the provision of recovery support services, and renamed the grant to SUBG. The 2026-27 budget structure renamed Strategy D.2.2 from Substance Abuse Services to Substance Use Services accordingly.
- *Substance Use Rate Increases from the 2024-25 Biennium:* HHSC Rider 53, Rates: Reimbursement for Federal Substance Abuse Prevention and Treatment Block Grant Services, 2024-25 GAA, stated legislative intent for HHSC to evaluate the rate setting methodology for substance use services and to propose reimbursement rates related to the services no later than October 1, 2023. HHSC held a rate hearing on September 15, 2023, concerning proposed rate increases and implemented the new rates on November 1, 2023. The new rates primarily impacted reimbursement for residential and outpatient services provided to adult, youth, women with children (also called specialized female services), and women who are pregnant or post-partum. According to HHSC, the estimated impact of the rates was \$27.4 million in Federal Funds in fiscal year 2024 and \$27.6 million in Federal Funds in fiscal year 2025. **Recommendations assume continuation of the rate increases, subject to the availability of continued federal funds for this purpose.**

17. Behavioral Health Waiver and Plan Amendment. Recommendations for Strategy D.2.3, Behavioral Health Waiver and Plan Amendment, include \$39.9 million in General Revenue (\$77.3 million in All Funds), an increase of \$0.5 million in General Revenue (\$1.8 million in All Funds) compared to the LBB 2024-25 adjusted base. Increases in General Revenue are primarily due to additional funding to increase the base wage for personal attendant services; LBB-projected growth in Home and Community-based Services – Adult Mental Health (HCBS-AMH) caseload; and less favorable FMAPs. This is partially offset by decreases in General Revenue associated with one-time projects funded by freed-up General Revenue made available as a result of the 10.0 percentage point increase in the FMAP for HCBS included in the American Rescue Plan Act (ARPA). Recommendations by program are as follows:

- *HCBS-AMH and Youth Empowerment Services (YES) Waiver: Recommendations for the 2026-27 biennium include \$37.3 million in General Revenue (\$73.5 million in All Funds), an increase of \$1.6 million in General Revenue (\$3.3 million in All Funds) compared to the LBB 2024-25 adjusted base.*
 - Recommendations assume the HCBS-AMH program will serve 386 clients in fiscal year 2026 and 393 clients in fiscal year 2027. The increase in HCBS-AMH clients served accounts for an increase of \$0.8 million in General Revenue (\$1.5 million in All Funds), while a decrease in the average monthly cost per client accounts for a decrease of \$0.5 million in General Revenue (\$0.9 million in All Funds), for a net increase of \$0.3 million in General Revenue (\$0.6 million in All Funds).

- Recommendations assume the YES waiver will serve 648 clients in fiscal year 2026 and 641 clients in fiscal year 2027. The decrease in YES waiver clients served accounts for a decrease of \$0.1 million in General Revenue (\$0.3 million in All Funds), while an increase in the average monthly cost per client accounts for an increase of \$0.1 million in General Revenue (\$0.1 million in All Funds), for a net decrease of \$0.1 million in General Revenue (\$0.1 million in All Funds).
- Recommendations include an increase of \$1.1 million from General Revenue (\$2.8 million from All Funds) to increase the base wage for personal attendant services to \$12.00 per hour.
- Decreased FMAPs and Medicaid eligible caseload percentage accounts for an increase of \$0.2 million in General Revenue and a decrease of the same amount in federal funds.
- **Non-Client Services: Recommendations for the 2026-27 biennium include \$2.6 million in General Revenue (\$3.8 million in All Funds) for non-client services, including contracts with universities for provider trainings and supports, and participant and provider annual satisfaction surveys.** This is a decrease of \$1.1 million in General Revenue (\$1.5 million in All Funds) primarily related to the discontinuation of one-time freed-up General Revenue made available as a result of the 10.0 percentage point increase in the FMAP for HCBS. HHSC used \$1.0 million in General Revenue (\$1.3 million in All Funds) to evaluate the HCBS-AMH program's effectiveness, and support HCBS-AMH providers by recruiting providers to address workforce shortages, provide trainings to providers on program requirements, and create training modules to support providers. Other decreases are associated with the discontinuation of more favorable FMAPs related to the COVID-19 pandemic.

18. Community Mental Health Grant Programs. Recommendations for Strategy D.2.4, Community Mental Health Grant Programs, provide \$230.5 million in General Revenue for community matching grant programs authorized by previously implemented legislation, including two new grant programs created by the Eighty-eighth Legislature. This is a decrease of \$115.9 million in General Revenue due to one-time funds appropriated in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, for construction grant programs.

Senate Bill 26, Eighty-eighth Legislature, Regular Session, 2023, established a new grant program to provide support to eligible entities for community-based initiatives that promote identification of mental health issues and improve access to early intervention and treatment for children and families. HHSC was appropriated \$30.0 million in General Revenue to implement the provisions of the bill. Pursuant to Government Code 531.09915(k), HHSC may use an amount not to exceed five percent of appropriations to pay the administrative costs of implementing and administering the program. HHSC transferred \$0.2 million in each fiscal year of the 2024-25 biennium from the grant program's appropriations from Strategy D.2.4, Community Mental Health Grant Programs, to Strategy D.2.5, Community Behavioral Health Administration, for this purpose. **Recommendations maintain funding for the program at 2024-25 appropriated levels, including \$29.5 million in General Revenue for grants in Strategy D.2.4, Community Mental Health Grant Programs, and \$0.5 million in General Revenue for program administration in Strategy D.2.5, Community Behavioral Health Administration.**

Recommendations for all other programs maintain 2024-25 appropriated levels for each program, including \$53.0 million in additional General Revenue provided by the Eighty-Eighth Legislature for existing grant programs and \$3.0 million in General Revenue for the new grant program to establish or expand regional behavioral health centers or jail diversion centers in primarily rural areas established by Senate Bill 1677, Eighty-eighth Legislature, Regular Session, 2023. Recommendations also reallocate appropriations between certain grant programs. The table below details General Revenue provided for each grant program:

Recommendations for General Revenue in Strategy D.2.4, Community Mental Health Grants:

Grant Opportunity	2024-25 Biennium	2026-27 Biennium
Healthy Community Collaboratives Program (HCC)	\$33,000,000	\$33,000,000
Texas Veterans + Family Alliance Program (TV+FA)	\$20,000,000	\$20,000,000
Mental Health Grant Program for Justice-Involved Individuals (MHG-JII) ¹	\$80,000,000	\$90,000,000
Harris County Jail Diversion Program ¹	\$10,000,000	\$ -
Community Mental Health Grant Program (CMHG)	\$55,000,000	\$55,000,000
Supporting Mental Health and Resiliency in Texans (SMART) Innovation Grant Program ²	\$29,524,266	\$29,524,266
Rural Mental Health Initiative Grant Program (RIGP)	\$3,000,000	\$3,000,000
Community Mental Health Grant Program ³	\$100,000,000	\$ -
Children’s Hospitals Construction Grant Program ³	\$15,852,990	\$ -
Total, Strategy D.2.4, Community Mental Health Grants	\$346,377,256	\$230,524,266

Source: Legislative Budget Board

Notes:

- 1) Recommendations reallocate funding between MHG-JII and the Harris County Jail Diversion Program.
- 2) The SMART grant excludes \$0.5 million in General Revenue for administration appropriated in Strategy D.2.5, Community Behavioral Health Administration.
- 3) Recommendations remove \$115.9 million in General Revenue for one-time construction grant programs.

19. Temporary Assistance for Needy Families (TANF) Cash Assistance. Recommendations for the 2026-27 biennium include \$45.9 million from the General Revenue Fund (\$48.9 million from All Funds), an increase of \$2.8 million from the General Revenue Fund (\$3.6 million from All Funds) compared to the 2024-25 adjusted base. An increase in the total TANF recipients accounts for an increase of \$1.7 million from the General Revenue Fund (\$1.7 million from All Funds). Additionally, an increase in average grant per recipient accounts for an increase of \$1.9 million from the General Revenue Fund (\$1.9 million from All Funds). Lastly, an increase in TANF Federal Funds accounts for a decrease of \$0.7 million from the General Revenue Fund and an increase in the same amount from federal funds.

20. Community and Independent Living Non-Medicaid Services. Recommendations for Strategy F.1.2, Non-Medicaid Services, for the 2026-27 biennium include \$125.1 million in General Revenue (\$410.7 million in All Funds) for non-Medicaid services. This is an increase of \$49.6 million in General Revenue (\$30.0 million in All Funds) from the 2024-25 biennium, and includes funding for the following programs:

- *Title XX Services.* **Recommendations provide \$111.5 million in General Revenue (\$265.3 million in All Funds) for Title XX Community Services and Supports,** which include day activity and health services, home delivered meals, and other services provided to individuals aged 18 or older who meet certain functional and financial eligibility criteria. Recommendations reflect an increase of \$49.3 million in General Revenue to increase the base wage for personal attendant services to \$12.00 per hour and \$0.3 million in General Revenue to maintain higher fiscal year 2025 appropriations provided by the Eighty-eighth Legislature to increase the base wage for personal attendant services and for the attendant care rate enhancement program.
- *Older Americans Act Title III Programs.* **Recommendations provide \$13.6 million in General Revenue (\$145.4 million in All Funds) for programs authorized by the federal Older Americans Act,** which include home-delivered meals, congregate meals, nutrition education, and other services provided to individuals aged 60 or older or caregivers under age 60. Recommendations reflect a decrease of \$19.5 million in Federal Funds related to funding awarded for COVID-19 response.

21. Child Advocacy Programs. Recommendations for the 2026-27 biennium maintain appropriation levels from the 2024-25 biennium for Strategy F.3.2, Child Advocacy Programs, which includes \$101.6 million in General Revenue and General Revenue-Dedicated Funds (\$115.5 million in All Funds). Recommendations include \$69.7 million from the General Revenue Fund and General Revenue-Dedicated Funds (\$83.6 million from All Funds) for the Child Advocacy Centers (CAC) program and \$31.9 million from the General Revenue Fund (\$31.9 million from All Funds) for the Court-Appointed Special Advocates (CASA) program. Recommendations maintain total funding for both programs at the 2024-25 funding level into the 2026-27 biennium.

22. State Supported Living Centers. Recommendations for state supported living centers (SSLCs) include \$831.8 million in General Revenue (\$2,008.4 million in All Funds) for the 2026-27 biennium. This is an increase of \$4.7 million in General Revenue (\$86.6 million in All Funds) from the 2024-25 biennium. Recommendations reflect the following:

- An increase of \$58.3 million in Federal Funds based on HHSC-projected changes in federal reimbursement;
- An increase of \$13.8 million in General Revenue (\$37.3 million in All Funds) to maintain higher fiscal year 2025 costs for statewide salary adjustments; and
- A decrease of \$9.0 million in General Revenue related to inflationary costs that were designated as one-time in HHSC Rider 108, One-time Funding for Facility Inflationary Cost, 2024-25 GAA.

Average Monthly Number of SSLC Residents: Recommendations assume an LBB -projected average monthly number of 2,533 residents in fiscal year 2026 and 2,624 residents in fiscal year 2027. According to HHSC’s State Supported Living Center Long-Range Planning Report, August 2024, the average monthly number of residents is expected to be higher compared to previous agency projections because the number of admissions increased in fiscal year 2021 and the rate of separations has slowed. The table below shows LBB-projected changes in the average monthly number of residents from fiscal year 2023 to fiscal year 2028.

Average Monthly Number of Residents at the SSLCs from Fiscal Year 2023 to Fiscal Year 2028

Fiscal Year	Average Monthly Number of Residents	Percent Change
2023	2,598	
2024	2,566	-1.2%
2025	2,532	-1.3%
2026	2,533	0.0%
2027	2,571	1.5%
2028	2,609	1.5%

Source: Health and Human Services Commission; Legislative Budget Board

Notes: Fiscal years 2023 through 2024 represent actuals. Fiscal years 2025 through 2028 represent LBB projections.

23. State Mental Health Hospitals Funding. Recommendations for state mental health hospitals include \$1,510.3 million in General Revenue (\$1,547.2 million in All Funds). This is an increase of \$185.0 million in General Revenue from the 2024-25 biennium. Recommendations reflect the following:

- An increase of \$165.9 million in General Revenue and 630.6/1,964.8 FTEs to staff additional state hospital capacity at Austin, Kerrville, Rio Grande, Rusk, San Antonio, and Terrell State Hospitals, and staff new Lubbock and Panhandle (Amarillo) State Hospitals;
- An increase of \$24.6 million in General Revenue to maintain higher fiscal year 2025 costs for statewide salary adjustments;
- An increase of less than \$0.1 million in General Revenue to transfer statewide salary adjustments included in Strategy G.2.2, Mental Health Community Hospitals, to Strategy G.2.1, Mental Health State Hospitals. The change is explained in more detail later in Section 3; and
- A decrease of \$5.5 million in General Revenue related to inflationary costs that were designated as one-time in HHSC Rider 108, One-time Funding for Facility Inflationary Cost, 2024-25 GAA.

The 2024-25 base and 2026-27 recommendations assume the transfer of appropriations for the John S. Dunn Behavioral Sciences Center and Palestine Regional Medical Center for contracted inpatient beds from Strategy G.2.1, Mental Health State Hospitals, to Strategy G.2.2, Mental Health Community Hospitals, to better distinguish appropriations and FTE authority for contracted inpatient beds compared to HHSC owned and operated inpatient beds. The transfer between strategies includes \$42.9 million in General Revenue for the John S. Dunn Behavioral Sciences Center and \$4.2 million in General Revenue for the Palestine Regional Medical Center in each fiscal year from fiscal year 2024 to fiscal year 2027.

24. State Mental Health Hospitals Expanded Capacity and Census.

Fiscal Year 2025 Expanded Capacity: HHSC submitted and received approval to transfer \$26.6 million in General Revenue in fiscal year 2025 from Goal A, Medicaid Client Services, to Strategy G.2.1, Mental Health State Hospitals, to bring existing inpatient beds online and operate certain facilities at full capacity. The beds were taken offline due to insufficient staff needed to support safe staff to patient ratios. In addition, HHSC reports that factors like increased square footage, higher patient acuity, and increased maximum security unit (MSU) capacity resulted in the need for additional staff and resources to operate the facilities. HHSC did not have sufficient FTE authority to fill the 414.0 FTEs in fiscal year 2025 and used the funding for contract labor and additional food and drug costs associated with occupied beds. **Recommendations include an increase of \$26.6 million in General Revenue to biennialize the funding to staff additional capacity. Recommendations also provide the FTE authority to staff the beds.** HHSC could receive FTE authority in the supplemental bill to address FTE authority needed in fiscal year 2025. The number of additional FTEs and beds funded in 2026-27 recommendations is listed in the table below.

Fiscal Year 2025 Expanded Capacity Maintained in 2026-27 Recommendations

State Hospital	Additional FTEs	Additional Beds Brought Online	Total Bed Capacity, including the Additional Beds
Austin State Hospital	90.0	72	240
Kerrville State Hospital	100.0	55	290
Rusk State Hospital	156.0	23	288
San Antonio State Hospital	68.0	24	300
Total	414.0 FTEs	174 Beds	1,118 Beds

Source: Health and Human Services Commission

Senate Bill 30 Expanded Capacity: **Recommendations provide \$139.3 million in General Revenue and 216.6/1,550.8 FTEs to staff additional capacity resulting from inpatient mental health construction authorized by Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023.** Additional funding will be needed in the 2028-29 biennium to fund the facilities at full capacity once ramp-up is completed, or to staff additional capacity for projects anticipated to come online in future biennia. The number of additional FTEs and beds funded in 2026-27 recommendations is listed in the table below:

Senate Bill 30 Expanded Capacity Funded in 2026-27 Recommendations

State Hospital ¹	Additional FTEs	Additional Beds Brought Online	Total Bed Capacity, including the Additional Beds
New Panhandle Hospital ²	10.2/414.1	75	75
Alamo Unit at San Antonio State Hospital ³	196.2/196.2	0	40
Rio Grande State Center ²	0.0/274.5	50	105
New Lubbock Hospital ²	10.2/351.2	50	50
North Texas State Hospital – Terrell ^{2,4}	0.0/314.8	(30)	275
Total	216.6/1,550.8	145 Beds	545 Beds

Source: Health and Human Services Commission; Legislative Budget Board

Notes:

- 1) Excludes El Paso Psychiatric Center and North Texas State Hospital – Wichita Falls, which are expected to come online in the 2028-29 biennium.
- 2) Projects will need additional funds in the 2028-29 biennium for operations.
- 3) The Alamo Unit does not add total capacity to the system but increases MSU capacity by converting 40 existing beds into MSU.
- 4) The North Texas State Hospital – Terrell replacement project represents a decrease of 30 beds compared to the existing facility but an increase of 25 beds from the direction provided in Senate Bill 30.

2026-27 Census Recommendations: According to HHSC, state hospital capacity is considered full if the census is at or above 95.0 percent of beds online, due to the turnover of daily admissions and discharges across the state hospital system. **Recommendations assume 95.0 percent of total beds online for 2026-27 and include census increases related to the additional capacity noted by state hospital above.** The table below shows the average daily census at the state hospitals from fiscal year 2023 to recommended fiscal year 2027.

Reported and Recommended Census for State Hospitals

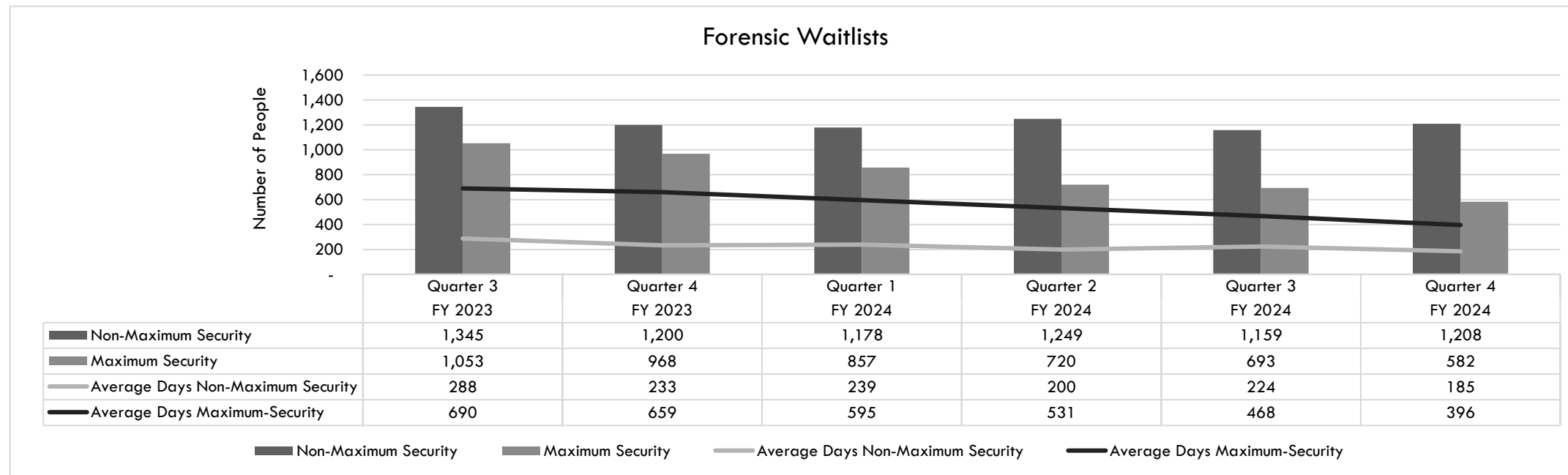
	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
Average Daily Census	1,709	1,908	2,213	2,417	2,388

Source: Health and Human Services Commission; Legislative Budget Board

Note: Fiscal years 2023 and 2024 are actuals. Fiscal years 2025 are budgeted. Fiscal years 2026 and 2027 are recommended.

- 25. **Forensic Waitlist.** HHSC maintains waitlists for individuals pending admission for forensic inpatient services and maximum-security forensic inpatient services. The waitlists include individuals waiting for services at HHSC-owned and operated facilities or other facilities. The waitlists are a point-in-time representation of clients waiting for admission and can change due to many factors, including staffing shortages, Life Safety Code and other facility maintenance requirements, and planning coordination and education among stakeholders regarding admissions.

Recommendations maintain a variety of appropriations provided for the state hospital workforce and expansion of inpatient beds. Recommendations also provide an increase of \$98.0 million for deferred maintenance at the state-owned facilities, including state hospitals. According to HHSC Rider 45, Reporting of Waiting Lists for Mental Health Services, 2024-25 GAA, there were 1,208 individuals on the non-maximum-security waitlist and 582 individuals on the maximum-security waitlist at the end of fiscal year 2024. The figure below compares the waitlists reported for forensic inpatient services for fiscal year 2023 and fiscal year 2024.



Source: Health and Human Services Commission; Legislative Budget Board

26. State-Owned Facility Workforce. The COVID-19 pandemic greatly impacted HHSC’s workforce levels at the SSLCs and the state hospitals. The number of filled positions dropped from 19,012.3 positions in February 2020 to 15,507.4 positions in August 2022, or 18.4 percent. To address staffing challenges at the state-owned facilities, the Eighty-eighth Legislature appropriated the following increases in the 2024-25 biennium:

- \$236.3 million in General Revenue to maintain HHSC-provided salary increases in fiscal year 2023,
- \$101.9 million in General Revenue to partially fund an agency exceptional item for targeted salary increases;
- HHSC transferred an additional \$115.4 million in General Revenue (\$186.1 million in All Funds) from legacy Strategy N.1.1, Salary Adjustments, to Strategy G.1.1, State Supported Living Centers, and Strategy G.2.1, Mental Health State Hospitals, to implement statewide salary adjustments authorized by Article IX, Section 17.16, Appropriation for a Salary Increase for General State Employees, 2024-25 GAA; and
- HHSC requested and received approval to transfer \$248.5 million in General Revenue from Goal A, Medicaid Client Services, to Strategy G.1.1, State Supported Living Centers, and Strategy G.2.1, Mental Health State Hospitals, to provide a 95.0 percent FTE fill rate at the SSLCs, a 100.0 percent FTE fill rate at the state hospitals, and to operate expanded capacity at the state hospitals.

Appropriations have contributed to increased workforce levels at the state-owned facilities in fiscal year 2025. The number of filled positions increased from 15,507.4 positions in August 2022 to 18,416.9 positions in October 2024, representing an 18.8 percent increase and the highest fill rate since the onset of the COVID-19 pandemic. **Recommendations include \$906.3 million in General Revenue (\$1,000.5 million in All Funds) and 630.6/1,964.8 FTEs to maintain or biennialize appropriations from the 2024-25 biennium to address workforce challenges and address new or expanded capacity at the state-owned facilities.** The table below details appropriations provided for staff at the state-owned facilities to address workforce challenges and expanded capacity at the state hospitals.

Appropriations and Recommendations for State-Owned Facility Workforce

Purpose	2024-25 General Revenue	2024-25 All Funds	2026-27 General Revenue	2026-27 All Funds	Biennial Change
Maintain Salary Increases from Fiscal Year 2023	\$236,274,742	\$236,274,742	\$236,274,742	\$236,274,742	\$ -
Provide Targeted Salary Increases for Staff	\$101,865,890	\$101,865,890	\$101,865,890	\$101,865,890	\$ -
Statewide Salary Adjustment	\$115,367,013	\$186,052,979	\$153,761,671	\$247,964,363	\$61,911,384
Provide for Higher FTE Fill Rates and Fund Expanded Capacity at State Hospitals	\$248,511,606	\$248,511,606	\$414,405,022	\$414,405,022	\$165,893,416
Total	\$702,019,251	\$772,705,217	\$906,307,325	\$1,000,510,017	\$227,804,800

Source: Health and Human Services Commission; Legislative Budget Board

27. Community Mental Health Hospital Funding. Recommendations for community mental health hospitals include \$701.6 million in General Revenue. This is a decrease of \$18.4 million in General Revenue (\$33.1 million in All Funds) from the 2024-25 biennium. Recommendations reflect the following:

- A decrease of \$14.7 million in Federal Funds provided for one-time expansion of Sunrise Canyon Hospital. The funds were originally appropriated in Senate Bill 8, Eighty-seventh Legislature, Third-called Session, 2021;
- A decrease of \$12.0 million in General Revenue transferred to Strategy D.2.1, Community Mental Health Services, to appropriate all crisis facility funding in that strategy and better distinguish appropriations for contracted inpatient capacity within Strategy G.2.2, Community Mental Health Hospitals;
- A decrease of \$6.0 million in General Revenue provided for a one-time project to establish an integrated care clinic with an acute care hospital in Jefferson County;
- A decrease of \$0.4 million in General Revenue to remove facility inflationary costs that were designated as one-time in HHSC Rider 108, One-time Funding for Facility Inflationary Costs, 2024-25 GAA; and

- A decrease of under \$0.1 million in General Revenue to transfer salary adjustment funding to Strategy G.2.1, Mental Health State Hospitals. HHSC transferred under \$0.1 million in General Revenue from legacy Strategy N.1.1, Salary Adjustments, to Strategy G.2.2, Community Mental Health Hospitals, to implement statewide salary adjustments authorized by Article IX, Section 17.16, Appropriation for a Salary Increase for General State Employees, 2024-25 GAA, for the 1.0 FTE included in Strategy G.2.2, Community Mental Health Hospitals. However, it is assumed that HHSC transferred the FTE authority to Strategy G.2.1, Mental Health State Hospitals, in the 2026-27 LAR. Recommendations transfer the funding to Strategy G.2.1, Mental Health State Hospitals, to follow the FTE.

Recommendations do not assume any additional contracted inpatient funding related to projects funded in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023.

The 2024-25 base and 2026-27 recommendations assume the transfer of appropriations for the John S. Dunn Behavioral Sciences Center and Palestine Regional Medical Center for contracted inpatient beds from Strategy G.2.1, Mental Health State Hospitals, to Strategy G.2.2, Mental Health Community Hospitals, to better distinguish appropriations and FTE authority for contracted inpatient beds compared to HHSC owned and operated inpatient beds. The transfer between strategies includes \$42.9 million in General Revenue for the John S. Dunn Behavioral Sciences Center and \$4.2 million for the Palestine Regional Medical Center in each fiscal year from fiscal year 2024 to fiscal year 2027. Recommendations also add a new rider to identify appropriations at HHSC for the John S. Dunn Behavioral Sciences Center and the Harris County Psychiatric Center, which are operated by the University of Texas Health Science Center at Houston.

- 28. Community Mental Health Hospital Census.** HHSC uses appropriations in Strategy G.2.2, Community Mental Health Hospitals, to contract for three different inpatient bed types, including: Community Mental Health Hospitals, which are larger facilities operated by LMHAs or other community partners and include Sunrise Canyon Hospital and the John S. Dunn Behavioral Sciences Center; Private Psychiatric Beds, which are contracted for by the 39 LMHAs and LBHAs; and Contracted State Hospital Beds, which are contracted for by HHSC Facility staff directly with certain entities. The 2026-27 strategic planning process created new performance measures to record the average daily number of occupied community mental health hospital, private psychiatric, and contracted state hospital beds. The table below shows 2026-27 recommendations for inpatient capacity by bed type. **Recommendations maintain inpatient capacity increases provided by the Eighty-eighth Legislature. Recommendations also assume the total contracted amount of beds for each bed type to help illustrate total capacity funded for this purpose.** Actual performance may vary due to the turnover of daily admissions and discharges across the contracted inpatient system.

Reported and Recommended Contracted Inpatient Mental Health Beds for Fiscal Years 2023 Through 2027

Bed Type	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
Community Mental Health Hospitals	199	199	199	199	199
Private Psychiatric Beds	340.2	529.1	529.1	529.1	529.1
Contracted State Hospital Beds	326	312	478	478	478

Source: Health and Human Services Commission; Legislative Budget Board

Note: Fiscal years 2023 through 2025 are actuals reported in contract information provided by HHSC. Fiscal years 2026 and 2027 are recommended.

- 29. Facility Construction, Renovations and Laundry Repairs. Recommendations for Strategy G.4.2, Facility Capital Repairs and Renovations, include \$136.0 million in General Revenue and General Revenue-Dedicated Funds.** This is a decrease of \$1,882.2 million in General Revenue and General Revenue-Dedicated Funds (\$2,039.3 million in All Funds) from the 2024-25 biennium. The decrease is primarily related to one-time construction funding provided in previous biennia, including \$1,973.4 million in General Revenue (\$1,986.0 million in All Funds) appropriated in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, provided primarily for construction at the state hospitals or construction grant programs. **See Supplemental Schedule 3-5, Appropriations for New Inpatient Mental Health Construction, for additional details on historical appropriations for new construction at the state hospitals and other inpatient facilities.**

HHSC historical biennial baseline appropriations for repairs include \$0.1 million in General Revenue for minor repairs and renovations at the state-owned facilities, and \$0.6 million in General Revenue-Dedicated Funds for repairs at the Corpus Christi Bond Homes. HHSC requested and received funding for deferred maintenance and other facility equipment repairs as exceptional items. Deferred maintenance and construction needs at the state-owned facilities may result in beds being taken offline due to safety concerns. According to HHSC, the need for deferred maintenance at the state-owned facilities totals \$852.9 million in All Funds for the 2026-27 biennium, including \$343.6 million in All Funds for the SSLCs and \$509.3 million for the state hospitals. In addition, an average of 207 state hospital beds were taken offline in fiscal year 2023 and an average of 292 state hospital beds were taken offline in fiscal year 2024 due to construction and deferred maintenance needs. It is anticipated that deferred maintenance needs will continue to increase as additional facilities come online in future biennia. **Recommendations include \$98.0 million in General Revenue to increase 2026-27 baseline appropriations for deferred maintenance to assist HHSC in planning repairs at the state-owned facilities. Recommendations also include an increase of \$0.7 million in General Revenue to address the Texas Public Finance Authority’s projected debt obligations for the Master Lease Purchase Program.**

Recommendations by category for Strategy G.4.2, Facility Capital Repairs and Renovations, are listed in the table below.

Strategy G.4.2, Facility Capital Repairs and Renovations

Category	2024-25 General Revenue-Related	2024-25 All Funds	2026-27 General Revenue-Related	2026-27 All Funds	Biennial Change
Minor Repairs and Renovations	\$ 124,768	\$ 124,768	\$ 124,768	\$ 124,768	\$ -
Corpus Christi Bond Home Repairs	\$ 579,604	\$ 579,604	\$ 579,604	\$ 579,604	\$ -
Master Lease Purchase Program	\$ 36,613,024	\$ 36,613,024	\$ 37,337,641	\$ 37,337,641	\$ 724,617
Baseline Deferred Maintenance	\$ -	\$ -	\$ 98,000,000	\$ 98,000,000	\$ 98,000,000
Projects Funded in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023	\$ 1,973,413,175	\$ 1,986,040,786	\$ -	\$ -	\$ (1,986,040,786)
Costs for New Lubbock Facility	\$ 7,500,000	\$ 7,500,000	\$ -	\$ -	\$ (7,500,000)
Donations for Texas Behavioral Health Center	\$ -	\$ 136,000,000	\$ -	\$ -	\$ (136,000,000)
Collections Related to State Energy Conservation Office	\$ -	\$ 2,962,538	\$ -	\$ -	\$ (2,962,538)
Unexpended Balances for Construction Authorized by 2024-25 GAA	\$ -	\$ 5,522,256	\$ -	\$ -	\$ (5,522,256)
Total	\$ 2,018,230,571	\$ 2,175,342,976	\$ 136,042,013	\$ 136,042,013	\$ (2,039,300,963)

Source: Legislative Budget Board

Recommendations maintain 2024-25 appropriated levels for laundry maintenance at the state-owned facilities, totaling \$2.0 million in General Revenue for the 2026-27 biennium. Recommendations provide the funding for laundry maintenance in Strategy G.4.1, Facility Program Support.

30. Facility/Community-based Regulation. Recommendations for Strategy H.1.1, Facility/Community-based Regulation, for the 2026-27 biennium include \$127.4 million from the General Revenue Fund (\$315.5 from All Funds). This includes:

- Funding for LAR Exceptional Item 10(g), Protecting Vulnerable Adults and Children from Abuse, Neglect and Exploitation (TULIP enhancements and backlog of defects) related to certain information technology projects, resolving a backlog of defects & provide enhancements for Texas Unified Licensure Information Portal (TULIP) (\$10.8 million from the General Revenue Fund and \$11.9 million from All Funds);
- Funding for LAR Exceptional Item 3(i), Support Ongoing Medicaid and CHIP Operations (Support for Community Based Services and Promoting Independence) related to waiver release slot exceptional item from 2024-25 biennium (\$0.1 million from the General Revenue Fund and \$0.3 million from All Funds); and

- Funding related to the Request to Exceed submitted by the agency in the 2024-25 interim addressing the General Revenue-Dedicated Account No. 5018 funding shortfall, including \$14.4 million from the General Revenue Fund and \$14.4 million from All Funds to address the shortfall. This fully funds the agency's LAR Exceptional Item 10(h), Protecting Vulnerable Adults and Children from Abuse, Neglect and Exploitation (Restore Funding for Mandated Functions in Community Based Regulation).

- 31. Foster Care Litigation.** In March of 2011, Children's Rights, a national advocacy group, filed a suit against the Governor of Texas, HHSC, and the Department of Family and Protective Services (DFPS) in federal court concerning kids in Permanent Managing Conservatorship (PMC). Currently, the case is in the United States District Court, Southern District of Texas.

The district court entered a Final Order including an injunction against Texas in January of 2018 requiring the agency to implement heightened monitoring for a facility that has a pattern of contract or policy violations. On March 18, 2020, a new order was issued that required a Facility Intervention Team Staffing (FITS), made up of HHSC and DFPS staff, to monitor facilities placed under heightened monitoring. The FITS team is required to review historical facility data, develop heightened monitoring plans, and perform at least weekly unannounced visits to the facility, and any placement of PMC children would need approval by the Associate Commissioner of Child Protective Services. All efforts must be documented in the Child Care Licensing Automated Support System (CLASS).

HHSC agreed to implement caseload guidelines, in lieu of completing a workload study that was originally ordered by the court. Residential child care inspectors at HHSC are required to maintain a caseload of 14 to 17 tasks. At DFPS, there must be maintenance of 14 to 17 children per conservatorship caseworker and 14 to 17 cases per child care investigator.

In the Eighty-eighth Legislature, Regular Session, 2023, HHSC was appropriated \$29.0 million from the General Revenue Fund, including \$25.4 million in Strategy H.2.1, Child Care Regulation; \$0.4 million in Strategy L.1.1, HHS System Support; and \$3.3 million in Strategy L.1.2, IT Oversight and Program Support to respond to lawsuit requirements. This amount was not removed from the 2026-27 base limit. The agency anticipates utilizing \$7.0 million from the General Revenue Fund for court monitoring fees in the 2026-27 biennium.

- 32. Integrated Eligibility and Enrollment. Recommendations for Strategy I.1.1, Integrated Eligibility and Enrollment (IEE), include \$612.2 million in General Revenue (\$1,804.7 million in All Funds) and 8,612.0/8,612.0 FTEs for the 2026-27 biennium.** This is a decrease of \$6.0 million in General Revenue (an increase of \$14.4 million in All Funds) and includes the following:

- A net increase of \$21.0 million in General Revenue (\$223.2 million in All Funds) for a variety of measures to address the end of continuous Medicaid coverage and public health emergency (PHE) unwind, including eligibility staffing and overtime, addressing state funding needs for the CMS Federal Data Services Hub; and increased costs for the Eligibility Support Services (ESS) contract. Additional information on PHE unwind is included below.
- An increase of \$8.9 million in General Revenue (\$18.2 million in All Funds) to maintain higher fiscal year 2025 statewide salary adjustments;
- An increase of \$2.0 million in General Revenue (\$5.5 million in All Funds) for select information technology projects. Recommendations address the Strategy I.1.1, Integrated Eligibility and Enrollment, component of HHSC LAR Exceptional Item 2(d), New Genesys Cost.
- An increase of \$8.7 million in Other Funds for agency projected collections in Appropriated Receipts;
- A decrease of \$127.9 million in Federal Funds for agency projections, including \$2.5 million in Federal Funds for COVID-19 response; and
- A decrease of \$37.9 million in General Revenue (\$113.3 million in All Funds) for appropriations designated as temporary in Rider 27, Funding for the Unwinding of Continuous Medicaid Coverage, 2024-25 GAA.

Recommendations include authority for 642.0 temporary FTEs in each fiscal year of the biennium to support the increased workload due to the unwinding of continuous Medicaid coverage, to be phased out by the end of the biennium. Recommendations do not include funding for the temporary FTEs.

- 33. End of Continuous Medicaid Coverage.** The Families First Coronavirus Response Act, passed in March 2020, required states to maintain Medicaid eligibility during the federally declared COVID-19 public health emergency (PHE), to receive an increased FMAP and additional federal funding. This period of continuous coverage increased Medicaid caseloads, resulting in increased workloads for eligibility staff. Continuous coverage ended on March 31, 2023, and HHSC was required to complete eligibility redeterminations for all clients within 12 months. In anticipation of this increased workload, HHSC began planning for the end of continuous coverage during the PHE, and the agency used funding during the 2022–23 biennium for retention, recruitment, and training of eligibility staff.

Additional funding was provided in the 2024–25 biennium for onetime costs relating to unwinding the PHE, including \$37.9 million in General Revenue (\$113.3 million in All Funds) for 642.0 temporary FTEs for eligibility operations staff and support for an increased workload for the Eligibility Support Services (ESS) contractor that manages eligibility-related calls and documents. While the additional resources have increased HHSC’s capacity to process program applications, HHSC continues to have challenges maintaining compliance with federal timeliness requirements. The table below provides the status of HHSC’s application backlog as of December 6, 2024.

HHSC Application Backlog

Program ¹	Backlog
Supplemental Nutrition Assistance Program (SNAP)	33
Medicaid for Families and Children	104,124
Long-Term Care Facility/Waiver (MEPD NF/W)	29
Long-Term Care Community (MEPD Community)	93,409

Source: Health and Human Services Commission

Notes:

- 1) Program counts may be duplicated if a client requests multiple programs on the same application.
- 2) Excludes TANF.

34. Office of Inspector General. Recommendations for Strategy K.1.1, Office of Inspector General, include \$58.0 million in General Revenue (\$135.8 million in All Funds). This is an increase of \$2.2 million in General Revenue (\$5.9 million in All Funds) from the 2024-25 biennium. Recommendations reflect the following:

- An increase of \$2.8 million in General Revenue (\$3.9 million in All Funds) to replace the Medicaid Program Integrity’s legacy case management system;
- An increase of \$2.1 million in Federal Funds related to HHSC-projected changes in federal reimbursement;
- An increase of \$1.1 million in General Revenue (\$2.0 million in All Funds) to maintain higher fiscal year 2025 costs for statewide salary adjustments;
- A decrease of \$1.3 million in General Revenue (\$1.7 million in All Funds) associated with one-time costs to create a modernized case management system for special investigation units; and
- A decrease of \$0.3 million in General Revenue (\$0.4 million in All Funds) associated with one-time costs to replace the Waste, Abuse, Fraud Electronic Reporting System (WAFERS).

35. Information Technology and Capital Projects. Recommendations include the following related to select information technology projects or capital needs across multiple strategies:

- *Ongoing Costs for Projects Funded by Senate Bill 30:* Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, included appropriations for a grant management system to standardize data collection, store grantee programmatic activity, and monitor grantee activities for behavioral health grant programs, and to upgrade the electronic health record system for state hospitals. The funds were appropriated in fiscal year 2023, and the projects have ongoing needs in the 2026-27 biennium related to ongoing maintenance and implementation. **Recommendations include \$20.2 million in General Revenue (\$20.4 million in All Funds) for ongoing needs for the projects.**
- *Mental Health and Behavioral Health Reporting Application:* Senate Bill 26, Eighty-eighth Legislature, Regular Session, 2023, required HHSC to maintain a public reporting system of performance and outcome measures relating to mental health and substance use services to allow external users to view and compare performance and outcomes of LMHAs, LBHAs, and local intellectual and developmental disability authorities (LIDDAs). HHSC requested additional funding for development and ongoing support and maintenance of the system. **Recommendations include \$9.1 million in General Revenue (\$10.3 million in All Funds) for this purpose.**
- *Centralized Accounting and Payroll/Personnel System (CAPPS):* **Recommendations include \$13.3 million in General Revenue (\$25.1 million in All Funds) for CAPPS Financials to maintain higher fiscal year 2025 costs for the 2026-27 biennium.**

- **Electronic Benefit Transfer (EBT) Online Transition: Recommendations include \$91.3 million in Federal Funds to make enhancements to the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) EBT system to align with federal specifications and to prepare to move the system online.**
- **Texas Integrated Eligibility Redesign System (TIERS):** HHSC provides eligibility services to clients of state and federal programs including Supplemental Nutrition Assistance Program (SNAP) Food Benefits, TANF, CHIP, and Medicaid. TIERS is the eligibility system of record for all eligibility-related tasks. **Recommendations include \$164.4 million in General Revenue (\$467.8 million in All Funds) for TIERS.** This includes additional funding to reduce the risk of equipment failure that could impact TIERS availability, improve performance, and reduce cloud storage costs; and partially address HHSC LAR Exceptional Item 2(a), Maintain State and Federal Timeliness Standards for Eligibility Determinations, to address changes to TIERS related to the end of continuous Medicaid coverage and federal timeliness standards.
- **Data Center Services (DCS): Recommendations include \$126.0 million in General Revenue (\$231.4 million in All Funds) for DCS.** This includes additional funding to help support Microsoft licenses, transition Health and Human Services applications to the cloud, and address other shared technology services provided by the Department of Information Resource’s (DIR) DCS program.
- **Accounts Receivable Tracking System (ARTS) to CAPPs Migration:** ARTS is a system developed in 1995 to assist HHSC in tracking files for client payments. According to HHSC, approximately \$3.5 billion in receivables flows through the ARTS system and, without ARTS or a system that replaces it, the agency would be forced to track accounts receivables through manual methods that could expose risks for data accuracy, storage, and processing. HHSC requested \$11.5 million in Medicaid Program Income (experience rebate revenue) to replace ARTS and develop the replacement module within CAPPs. The revenue was made available due to the impact of COVID-19 on revenue collections. **Recommendations do not include capital authority for ARTS migration due to the source of the funds.** The Eighty-ninth Legislature could choose to select a different funding source for ARTS migration or how to appropriate additional experience rebate revenue for HHSC.

The table below compares 2024-25 biennial spending levels to 2026-27 recommendations for the projects listed above.

Recommendations for Select Information Technology and Capital Projects

Project	2024-25 General Revenue Funds	2024-25 All Funds	2026-27 General Revenue Funds	2026-27 All Funds	Biennial Change
Grants Management System	\$ 21,400,000	\$ 21,400,000	\$ 12,959,897	\$ 13,189,779	\$ (8,210,221)
State Hospital Electronic Health Record System Update	\$ 38,873,054	\$ 38,921,260	\$ 7,223,374	\$ 7,223,374	\$ (31,697,886)
Mental Health and Behavioral Health Reporting Application	\$ 11,852,895	\$ 12,300,000	\$ 9,122,413	\$ 10,307,630	\$ (1,992,370)
CAPPs Financials	\$ 17,572,655	\$ 28,847,387	\$ 13,251,674	\$ 25,143,626	\$ (3,703,761)
EBT Online Transition	\$ -	\$ 38,227,500	\$ -	\$ 91,300,000	\$ 53,072,500
TIERS	\$ 125,192,032	\$ 356,579,327	\$ 164,357,520	\$ 467,773,054	\$ 111,193,727
DCS	\$ 92,524,864	\$ 179,016,629	\$ 126,036,183	\$ 231,424,273	\$ 52,407,644
Total, Select Information Technology and Capital Projects	\$ 307,415,500	\$ 675,292,103	\$ 332,951,061	\$ 846,361,736	\$ 171,069,633

Source: Legislative Budget Board

Note: 2026-27 Recommendations exclude \$11.5 million in All Funds authority requested for the ARTS to CAPPs Migration project.

36. Texas Civil Commitment Office (TCCO). TCCO is an independent agency that is administratively attached to HHSC and responsible for the supervision and treatment of civilly committed sexually violent offenders. **Recommendations for TCCO Client Services include \$49.3 million in General Revenue (\$49.5 million in All Funds) for Strategy M.1.1, Texas Civil Commitment Office.** This is an increase of \$5.0 million in General Revenue (\$4.9 million in All Funds). Recommendations assume fiscal year 2025 appropriated levels of \$19.9 million in General Revenue (\$20.0 million in All Funds) for Strategy M.1.1, TCCO, and assume a reduction of less than \$0.1 million in Federal Funds and \$0.1 million in Other Funds for certain one-time funding that is not maintained in the 2026-27 biennium. This is offset with General Revenue adjustments made for the following:

- An increase of \$2.9 million in General Revenue transferred from appropriations in Strategy M.1.2, TCCO Administration, to Strategy M.1.1, TCCO. Funding for TCCO was historically appropriated funds in a single budget strategy. The 2024-25 GAA split TCCO appropriations for client services and administration into two separate budget strategies. The transfer of \$2.9 million in General Revenue from existing appropriations better aligns funding between strategies. **Recommendations also change the Strategy Full Name to TCCO Client Services to address the change in budget structure.**
- An increase of \$1.9 million in General Revenue to maintain higher fiscal year 2025 appropriations for TCCO caseloads, salaries, and contracted rates in each fiscal year of the 2026-27 biennium, including the statewide salary adjustments;
- An increase of \$0.8 million in General Revenue to maintain contracted services. As part of directed five percent reductions in response to the COVID-19 pandemic, TCCO reduced contracted services funding by \$1.9 million for the 2022-23 biennium. Reductions were maintained in the 2024-25 biennium. TCCO utilized \$1.9 million in sanctions taken against the vendor to address program shortfalls caused by the reductions in the 2022-23 biennium. However, TCCO reports that vendor performance has improved over time and TCCO is unable to realize the same level of sanctions to address program shortfalls in the 2024-25 biennium. TCCO received approval in fiscal year 2024 to carryback \$0.8 million in General Revenue from fiscal year 2025 appropriations to partially restore the COVID-19 reductions to contracted services.
- A decrease of \$0.6 million in General Revenue to hold offsite healthcare appropriations at fiscal year 2024 reported levels. This is explained in more detail below.

Recommendations include \$3.6 million in General Revenue for Strategy M.1.2, TCCO Administration. This is an increase of \$0.1 million in General Revenue primarily related to maintaining higher fiscal year 2025 statewide salary adjustments.

37. TCCO Caseload and Offsite Healthcare Recommendations.

Caseload: **Recommendations maintain the fiscal year 2025 appropriated caseload levels for sexually violent predators (SVPs) who are civilly committed, or 561 SVPs per fiscal year.** According to the HHSC 2026-27 LAR, TCCO projects the number of SVPs to increase from 602 in fiscal year 2026 and 637 in fiscal year 2027. TCCO would require additional appropriations to fund projected caseload growth.

Offsite Healthcare: The Texas Civil Commitment Center (TCCC) contract covers up to \$25,000 of offsite healthcare costs per client per contract year. If a client exceeds their \$25,000 cap but requires additional offsite healthcare, the costs are at risk of falling on the local indigent care system. Additionally, healthcare costs can increase each fiscal year due to caseload increases, clients with chronic medical conditions, or other unforeseen medical emergencies or costs. The Legislature has provided additional General Revenue Funds for several biennia to address increases in offsite healthcare costs that are not covered under contract. However, healthcare expenditures have historically exceeded appropriated amounts. **Recommendations include \$5.4 million in General Revenue for offsite healthcare costs.** Recommendations are based on offsite healthcare costs reported for fiscal year 2024 pursuant to Rider 113, Texas Civil Commitment Office, subsection (f), 2024-25 GAA. **In addition, recommendations modify Rider 110, Appropriation Transfers between Fiscal Years, 2026-27 General Appropriations Bill, to allow for HHSC to transfer funding to TCCO for offsite healthcare.**

38. Texas Pharmaceutical Initiative. House Bill 4990, Eighty-eighth Legislature, Regular Session, 2023 (HB4990), establishes the Texas Pharmaceutical Initiative (TPI) to provide cost-effective access to prescription drugs and other medical supplies for employees, dependents, and retirees of public higher education systems and institutions, members of the Employees Retirement System of Texas (ERS) and the Teacher Retirement System of Texas (TRS), certain adult and juvenile correctional populations at the Texas Department of Criminal Justice (TDCJ) and the Texas Juvenile Justice Department (TJJD), Medicaid recipients, and CHIP enrollees. HHSC was appropriated \$150.0 million from the General Revenue Fund in the 2024-25 biennium through contingency rider to establish and stand up the administratively attached TPI.

Recommendations for the 2026-27 biennium include cross-biennia unexpended balance transfer authority, allowing TPI to transfer any unexpended balances from the 2024-25 biennium into the 2026-27 biennium. Recommendations also include the addition of a rider providing unexpended balance transfer authority between the 2024-25 and 2026-27 biennia, and within the 2026-27 biennium; adding a quarterly expenditure reporting requirement; and adding Sunset Contingency language in the event the TPI is not extended beyond fiscal year 2025 as laid out in Section 2177.010 of (HB4990).

39. Family Support Services (FSS). Pursuant to Senate Bill 24 (SB 24), Eighty-eighth Legislature, Regular Session, 2023, Prevention and Early Intervention (PEI) services at the Department of Family and Protective Services (DFPS) were transferred to HHSC beginning September 1, 2024. These programs included Family and Youth Success, Community Youth Development, Child Abuse Prevention grants, Home Visiting Programs, other at-risk prevention programs, as well as staff to oversee the contracts. Both agencies prioritized the continuity of services for program clients and achieved a successful transition with no significant issues.

Recommendations for Goal O, Family Support Services, include \$197.7 million from the General Revenue Fund (\$295.8 million from All Funds), including 91.7 FTEs for the 2026-27 biennium. This represents a net increase of \$0.5 million from the General Revenue Fund and a decrease of \$27.6 million from All Funds from fiscal year 2024 expenditures at DFPS and fiscal year 2025 estimated expenditures at HHSC. The All Funds decreases include \$12.4 million associated with COVID-19 Federal Funds Loss and \$15.7 million associated with the alignment of federal funds with anticipated awards. The table below details funding related to PEI at DFPS in fiscal year 2024 and FSS at HHSC in fiscal year 2025 relative to HHSC’s funding request for fiscal years 2026 and 2027.

Prevention and Early Intervention (PEI) Services and Family Support Services (FSS) Appropriations; Fiscal Years 2024-2027

Strategy (HHSC & DFPS)	Fiscal Year 2024 -2025		Fiscal Year 2026 -2027		Biennial Change	
	General Revenue	All Funds	General Revenue	All Funds	General Revenue	All Funds
FAMILY & YOUTH SUCCESS PROGRAM (HHSC O.1.1, DFPS C.1.14)	\$ 56,219,580	\$ 65,656,796	\$ 56,219,580	\$ 63,224,720	\$ -	\$ (2,432,076)
CYD PROGRAM (HHSC O.1.2, DFPS C.1.2)	\$ 16,021,902	\$ 21,657,110	\$ 16,021,902	\$ 20,545,116	\$ -	\$ (1,111,994)
OTHER AT-RISK PREVENTION PROGRAMS (HHSC O.1.3, DFPS C.1.3)	\$ 1,083,247	\$ 14,221,877	\$ 83,040	\$ 10,342,940	\$ (1,000,207)	\$ (3,878,937)
CHILD ABUSE PREVENTION GRANTS (HHSC O.1.4, DFPS C.1.4)	\$ 73,709,240	\$ 89,140,918	\$ 75,117,542	\$ 83,687,542	\$ 1,408,302	\$ (5,453,376)
HOME VISITING PROGRAMS (HHSC O.1.5, DFPS C.1.5)	\$ 34,116,572	\$ 109,330,582	\$ 34,116,572	\$ 96,041,480	\$ -	\$ (13,289,102)
FAMILY SUPPORT SVCS PROG SUPPORT (HHSC O.1.6, DFPS C.1.6)	\$ 16,026,726	\$ 23,391,993	\$ 16,147,590	\$ 21,968,772	\$ 120,864	\$ (1,423,221)
Total	\$ 197,177,267	\$ 323,399,276	\$ 197,706,226	\$ 295,810,570	\$ 528,959	\$ (27,588,706)

Source: Legislative Budget Board

Note: Fiscal years 2026-27 are recommendations.

**Health and Human Services Commission
Adjustments to 2024-25 Submitted Base - Senate**

Supplemental Schedule 3-1

Strategy	Description of Adjustment	Fiscal Year 2024		Fiscal Year 2025	
		General Revenue Related	All Funds	General Revenue Related	All Funds
A.1.1, Medicaid Client Services	Legislative Budget Board (LBB) projections	\$ (258,429,259)	\$ (1,186,316,090)	\$ (1,394,894,136)	\$ (4,081,384,590)
A.2.1, Home and Community-based Services	LBB projections	\$ 12,816,124	\$ 30,395,551	\$ 19,714,573	\$ 49,159,923
A.2.2, Community Living Assistance and Support Services	LBB projections	\$ 4,544,582	\$ 12,592,023	\$ 4,937,566	\$ 14,735,864
A.2.3, Deaf-Blind Multiple Disabilities	LBB projections	\$ 93,858	\$ 483,369	\$ (213,886)	\$ (212,189)
A.2.4, Texas Home Living Waiver	LBB projections	\$ 1,166,405	\$ 3,184,175	\$ 2,803,193	\$ 8,643,696
A.2.5, Program of All-inclusive Care for the Elderly	LBB projections	\$ (45,680)	\$ (116,951)	\$ (66,464)	\$ (163,456)
C.1.1, CHIP Services	LBB projections	\$ (6,192,510)	\$ (23,684,516)	\$ (88,753,249)	\$ (317,137,746)
D.1.1, Women's Health Programs	Primarily related to LBB projections	\$ (46,136,232)	\$ (94,277,444)	\$ (31,609,209)	\$ (83,946,816)
D.1.3, Early Childhood Intervention Services	LBB projections	\$ -	\$ (8,239,051)	\$ -	\$ (3,020,001)
D.2.3, Behavioral Health Waiver and Plan Amendment	Primarily related to LBB projections	\$ 4,898,839	\$ 4,502,309	\$ 4,328,089	\$ 4,030,915
E.1.1, TANF Cash Assistance	LBB projections	\$ 627,315	\$ 627,315	\$ 2,202,007	\$ 2,202,007
E.1.3, Disaster Assistance	Reflect transfers related to April 2024 severe weather and Hurricane Beryl	\$ 203,666,667	\$ 834,782,903	\$ 20,000,000	\$ 83,000,000
G.4.2, Facility Capital Repairs and Renovations	Reflect receipt of additional donations for the Texas Behavioral Health Center in Dallas, Texas	\$ -	\$ 61,000,000	\$ -	\$ -
I.2.1, Community Services Administration & Access	Reverse requested transfer related to federal financial participation for targeted case management and habilitation coordination contracts. Agency withdrew its request.	\$ (3,254,400)	\$ (8,283,024)	\$ (3,254,400)	\$ (8,283,024)
Total Base Adjustments		\$ (86,244,291)	\$ (373,349,431)	\$ (1,464,805,916)	\$ (4,332,375,417)
Full-Time-Equivalents	Align fiscal year 2024 with the annual average total FTEs and contract worker FTEs paid from appropriated funds reported to State Auditor's Office		(1,800.9)		

Note: Adjustments are relative to the Health and Human Services Commission's (HHSC) estimated fiscal year 2024 and budgeted fiscal year 2025 amounts as reported in the 2026-27 Legislative Appropriations Request, and are not relative to HHSC's 2024-25 appropriated levels.

**Health and Human Services Commission
Adjustments to HHSC's 2024-25 Budget Structure Elements - Senate**

2026-27 General Appropriations Bill	Change Relative to 2024-25 Biennium	Purpose of Change
Strategy A.1.1, Medicaid Client Services	Consolidate the following 17 legacy strategies into a single strategy: <ul style="list-style-type: none"> • Aged and Medicare-Related; • Disability-Related; • Pregnant Women; • Other Adults; • Children; • Medicaid Prescription Drugs • Health Steps (EPSDT) Dental • Medical Transportation • Community Attendant Services • Primary Home Care • Day Activity & Health Services • Nursing Facility Payments • Medicare Skilled Nursing Facility • Hospice • Intermediate Care Facilities - IID • Non-full Benefit Payments • Medicare Payments 	<ul style="list-style-type: none"> • Streamlines Medicaid accounting and administration; and • Provides consistency with other client service strategies. No new or additional transfer authority between strategies is provided to Strategy A.1.1, Medicaid Client Services, in relation to the 2024-25 General Appropriations Act. Budgeted amounts are included in an informational rider for reference.
Strategy D.1.2, Thriving Texas Families	Change strategy name from Alternatives to Abortion to Thriving Texas Families.	Reflect implementation of Senate Bill 24, Eighty-eighth Legislature, Regular Session, 2023, which established the Thriving Texas Families program as a continuation of the alternatives to abortion program.
Strategy D.2.1, Community Mental Health Services	Consolidate the following three legacy strategies into a single strategy: <ul style="list-style-type: none"> • Community Mental Health Services - Adults; • Community Mental Health Services - Children; and • Community Mental Health Crisis Services 	Consolidates certain community mental health services primarily performed by local mental health authorities and behavioral health authorities (LMHAs/LBHAs) into a single strategy for easier program management. Previous reporting structure is maintained as an informational rider.
Strategies D.2.1, Community Mental Health Services, and G.2.2, Mental Health Community Hospitals	Transfer appropriations for crisis facilities from Strategy G.2.2, Mental Health Community Hospitals, to Strategy D.2.1, Community Mental Health Services.	Consolidates funding for crisis services into a single strategy for easier program management. Allows for appropriations in Strategy G.2.2, Mental Health Community Hospitals, to be reserved for contracted inpatient hospital beds.
Strategy D.2.2, Substance Use Services	Change strategy name from Substance Abuse Services to Substance Use Services.	Align strategy name with changes made to the block grant that primarily funds the strategy. The federal Consolidated Appropriations Act, 2023, revised provisions for the Substance Abuse Prevention and Treatment Block Grant program to replace the term substance abuse with substance use.
Strategy F.2.1, Independent Living Services	Change strategy name from Independent Living Services (General, Blind, and Centers for Independent Living) to Independent Living Services.	Reflect implementation of House Bill 2463, Eighty-fourth Legislature, Regular Session, 2015, which transitioned the provision of independent living services primarily to centers for independent living.
Strategies F.2.3, Comprehensive Rehabilitation Services and F.3.3, Additional Advocacy Programs	Transfer appropriations for the Office of Acquired Brain Injury from Strategy F.3.3, Additional Advocacy Programs, to Strategy F.2.3, Comprehensive Rehabilitation Services.	Consolidates funding for brain injury programs into a single strategy.

**Health and Human Services Commission
Adjustments to HHSC's 2024-25 Budget Structure Elements - Senate**

Supplemental Schedule 3-2

2026-27 General Appropriations Bill	Change Relative to 2024-25 Biennium	Purpose of Change
Strategies G.2.1, Mental Health State Hospitals, and G.2.2, Mental Health Community Hospitals	Transfer appropriations for the Dunn Behavioral Sciences Center and Palestine Regional Medical Center contracted inpatient beds from Strategy G.2.1, Mental Health State Hospitals, to Strategy G.2.2, Mental Health Community Hospitals.	Better delineate the cost to the state of HHSC-owned and operated campuses from other contracted inpatient capacity.
Strategy I.2.1, Community Services Administration & Access	Change strategy name from Long-term Care Intake and Access to Community Services Administration & Access.	Better clarify how the appropriations are used in the strategy.
Strategy M.1.1, Texas Civil Commitment Office Client Services	Change strategy name from Texas Civil Commitment Office to Texas Civil Commitment Office Client Services.	Better clarify what services are provided in this strategy. The 2024-25 General Appropriations Act newly split the Texas Civil Commitment Office into two strategies for client services and administration.
Goal N, Texas Pharmaceutical Initiative	New goal for appropriations related to the Texas Pharmaceutical Initiative.	Reflect implementation of House Bill 4990, Eighty-eighth Legislature, Regular Session, 2023, which established the Texas Pharmaceutical Initiative. Goal was created in the adjusted Conference Committee Report of House Bill 1, Eighty-eighth Legislature, Regular Session, 2023, to reflect passage of the legislation.
Goal O, Family Support Services	New goal for appropriations related to Family Support Services.	Reflect implementation of Senate Bill 24, Eighty-eighth Legislature, Regular Session, 2023, which transferred legacy prevention and early intervention programs from the Department of Family and Protective Services (DFPS) to the Health and Human Services Commission (HHSC) in fiscal year 2025. Goal was created in the adjusted Conference Committee Report of House Bill 1, Eighty-eighth Legislature, Regular Session, 2023, to reflect passage of the legislation.

Notes:

Funding transfers between strategies and agencies related to the Office of Acquired Brain Injury, contracted inpatient beds, and family support services were incorporated in the HHSC 2026-27 Legislative Appropriations Request for fiscal years 2024 - 2027.

**Health and Human Services Commission
Senate Bill 30 Inpatient Mental Health Projects - Senate**

Bill Section	Item	MOF	Funding	Estimated Construction Completion	Project Description included in the Bill
Health and Human Services Commission (HHSC) Appropriations					
3.02(a)(1)	Uvalde Behavioral Health Campus	GR	\$ 33,600,000	TBD	Construction of a behavioral health campus in Uvalde, Texas.
3.02(a)(2)	Grants Management System	GR	\$ 21,400,000		Information technology-related project.
3.02(a)(3)	Dallas State Hospital	GR	\$ 101,890,000	July 2025 - Adult Unit; April 2026 - Pediatric Unit	200-bed unit for adults, with at least 75 percent of the beds to be used for forensic purposes.
3.02(a)(4)	State Hospitals Electronic Health Record System Upgrade	GR	\$ 38,873,054		Information technology-related project.
3.02(a)(4)	State Hospitals Electronic Health Record System Upgrade	FF	\$ 48,206		Information technology-related project.
3.02(a)(5)	Deferred Maintenance Needs for State Facilities	GR	\$ 50,000,000		Appropriations can also be used for state supported living centers (SSLCs).
3.02(a)(6)	Emergency Facility Repairs	GR	\$ 14,000,000		Appropriations can also be used for SSLCs.
3.02(a)(7)	Lubbock Campus	GR	\$ 121,000,000	February 2027	50-bed maximum security unit (MSU).
3.02(a)(8)	San Antonio State Hospital	GR	\$ 15,000,000	February 2026	Rehabilitation of the existing Alamo Unit into a 40-bed MSU.
3.02(a)(9)	Amarillo State Hospital	GR	\$ 159,000,000	April 2027	75-bed hospital, with at least 50 forensic beds.
3.02(a)(10)	Rio Grande Valley Facility	GR	\$ 120,000,000	March 2027	50-bed MSU.
3.02(a)(11)	Terrell State Hospital	GR	\$ 573,000,000	June 2027	250-bed replacement campus, including 50 MSU beds, 140 forensic beds, 35 adolescent beds, and 25 civil beds.
3.02(a)(12)	North Texas State Hospital - Wichita Falls	GR	\$ 452,000,000	June 2027	200-bed replacement campus, including 24 MSU beds, 136 forensic beds, 24 adolescent beds, and 16 civil beds.
3.02(a)(13)	El Paso State Hospital	GR	\$ 50,000,000	TBD	50-bed hospital, with 50 percent of the beds to be forensic.
3.02(a)(14)	Sunrise Canyon Facility in Lubbock	GR	\$ 45,000,000	December 2025	30-bed addition, with at least 50 percent of the beds having forensic capacity.
3.02(a)(15)	Community Mental Health Grant Program	GR	\$ 100,000,000	Dependent by Project	Grant program for construction of jail diversion, step-down, permanent supportive housing, crisis stabilization units, or crisis respite units. Grantee must provide local match.
3.02(a)(16)(A)	Mental Health Inpatient Facility Grant Program - Rio Grande Valley	GR	\$ 85,000,000	TBD	Grant program for construction of up to 100 beds.
3.02(a)(16)(B)	Mental Health Inpatient Facility Grant Program - Montgomery County	GR	\$ 50,000,000	TBD	Grant program to expand the existing Montgomery County Mental Health Facility by up to 100 beds.
3.02(a)(16)(C)	Mental Health Inpatient Facility Grant Program - Victoria County	GR	\$ 40,000,000	TBD	Grant program for construction of up to 60 beds.
3.02(a)(17)	Psychiatric Residential Youth Treatment Facility Voluntary Quality Standards Implementation	GR	\$ 4,712,356		Information technology-related project.
3.02(a)(18)	Beaumont Baptist Hospital	GR	\$ 64,000,000	TBD	Construction of 72 beds, including 36 forensic beds and 36 civil beds.
3.02(a)(19)	Children's Hospitals Construction Grant Program	GR	\$ 15,852,990	Dependent by Project	Grant program for construction of inpatient mental health beds for children. Grantee must provide local match.
Total - Appropriations at HHSC in All Funds			\$ 2,154,376,606		
Other Inpatient Construction Appropriations included in Senate Bill 30					

**Health and Human Services Commission
Senate Bill 30 Inpatient Mental Health Projects - Senate**

Bill Section	Item	MOF	Funding	Estimated Construction Completion	Project Description included in the Bill
3.03	Texas Facilities Commission (TFC) - Permian Basin Behavioral Health Center	GR	\$ 86,700,000	April 2026	200-bed facility. Senate Bill 30 provided appropriations for construction of 100 beds, including 40 forensic beds. TFC also received \$40.0 million in Federal Funds provided by the Eighty-seventh Legislature for initial construction of 100 beds.
4.37	University of Texas Health Science Center at Tyler - Inpatient Facility	GR	\$ 7,000,000	July 2027	44-bed addition, including forensic and civil complex medical needs beds.
4.38	University of Texas Health Science Center at Houston - Harris County Psychiatric Center	GR	\$ 7,971,600		Renovation of patient areas, deferred maintenance, and building renovations at the Harris County Psychiatric Center.
Total - Inpatient Mental Health Appropriations in All Funds			\$ 2,256,048,206		
Source: Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; HHSC; TFC; University of Texas Health Science Center at Tyler.					

Notes:

- 1) The funds were appropriated for a two-year period and it is likely the agencies will spend the majority of the funds in the 2024-25 biennium.
- 2) Excludes other Senate Bill 30 appropriations including \$26.8 million in appropriations at the Fiscal Programs - Comptroller of Public Accounts from the opioid abatement trust fund and \$7.9 million at HHSC for vehicle replacement, some of which may be used for vehicle replacement at the state mental health hospitals.
- 3) Construction dates are provided from HHSC, Texas Facilities Commission, and health-related institutions as of January 2025.
- 4) According to HHSC, the Dallas State Hospital - Adult Unit will have 125 civil beds and 75 forensic beds.

**Health and Human Services Commission
Recommendations for Rider 52 Funding - Senate**

Section	Purpose	2024	2025	2024-25	Update on Implementation
a	HHSC Frontline Staff	\$ 169,070,588	\$ 169,070,044	\$ 338,140,632	
1	State Supported Living Centers	\$ 101,729,614	\$ 101,729,070	\$ 203,458,684	Salary increases in effect.
1	Mental Health State Hospitals	\$ 67,340,974	\$ 67,340,974	\$ 134,681,948	
b	Expansion of Community Inpatient Beds	\$ 167,597,965	\$ 167,597,965	\$ 335,195,930	
1	State Hospital Contracted Beds - 20 Competency Restoration Beds	\$ 4,197,500	\$ 4,197,500	\$ 8,395,000	Contract executed August 2023 at a bed-day-rate of \$575.
1	State Hospital Contracted Beds - 16 Competency Restoration Beds	\$ 4,068,000	\$ 4,068,000	\$ 8,136,000	Contract expected to be executed December 2024 to serve the geriatric competency restoration population.
2	John S. Dunn Behavioral Sciences Center - Increase Funding	\$ 4,730,400	\$ 4,730,400	\$ 9,460,800	Contract amendment executed for a bed-day-rate of \$700 and to shift the case mix from 96 forensic beds and 72 civil beds to 120 forensic beds and 48 civil beds.
2	John S. Dunn Behavioral Sciences Center - Expand Capacity	\$ 6,132,000	\$ 6,132,000	\$ 12,264,000	
3	Purchased Psychiatric Beds	\$ 99,098,599	\$ 99,098,599	\$ 198,197,198	Contracts executed April - June 2024. Inpatient bed capacity expanded by 193 beds. The set-aside for Department of Family and Protective Services (DFPS) conservatorship beds includes four LMHA regions with five beds each.
4	Inpatient Capacity Expansion	\$ 45,834,616	\$ 45,834,616	\$ 91,669,232	Contracts in progress or executed for an expansion of 150 competency restoration beds.
5	Sunrise Canyon Operational Funding	\$ 3,536,850	\$ 3,536,850	\$ 7,073,700	Contract executed in May 2024 at a bed-day-rate of \$700. HHSC states additional appropriations would be needed to operate the 30 beds coming online at Sunrise Canyon and to raise the current beds to a bed-day-rate of \$800.
c	Step-down Housing and State Hospital Transitions	\$ 11,000,000	\$ 11,000,000	\$ 22,000,000	
1	State Hospital Transition Teams	\$ 2,500,000	\$ 2,500,000	\$ 5,000,000	11 campus discharge specialists and one transition program coordinator hired. HHSC states the specialists facilitated 53 discharges to the community between January and July 2024.
2	Step-Down Housing Expansion	\$ 8,500,000	\$ 8,500,000	\$ 17,000,000	Contracts executed for 11 teams and 50 beds. The programs are either operational or identifying step-down housing and resources.
d	Crisis Services	\$ 37,250,000	\$ 34,750,000	\$ 72,000,000	
1	Five Additional Crisis Stabilization Facilities	\$ 14,000,000	\$ 14,000,000	\$ 28,000,000	Contracts executed for crisis stabilization facilities and diversion centers from April to June 2024. All diversion centers expected to begin operations by April 2025, with two starting October 2024.
1	Crisis Stabilization Facility at the local mental health authority (LMHA) serving Montgomery, Walker, and Liberty Counties	\$ 2,500,000	\$ -	\$ 2,500,000	Contract executed May 2024 and program is fully operational.
1	Crisis Services at LMHA Serving Galveston County	\$ 4,000,000	\$ 4,000,000	\$ 8,000,000	Contract executed June 2024 and in early stages of program implementation.
1	Crisis Services at the LMHA Serving Heart of Texas Region	\$ 4,000,000	\$ 4,000,000	\$ 8,000,000	Contract executed June 2024 and program is fully operational.
2	Crisis Respite Units for Youth	\$ 5,750,000	\$ 5,750,000	\$ 11,500,000	Contracts executed and the four crisis respite units and three peer-run units are in early stages of program implementation.

**Health and Human Services Commission
Recommendations for Rider 52 Funding - Senate**

Section	Purpose	2024	2025	2024-25	Update on Implementation
3	Youth Mobile Crisis Outreach Teams (YCOT)	\$ 7,000,000	\$ 7,000,000	\$ 14,000,000	Appropriations provided for eight teams at \$875,000 per team per year. HHSC states that the YCOT model is new and may benefit from additional funding.
e	Expansion of Programs for High-Risk Children	\$ 22,325,000	\$ 27,325,000	\$ 49,650,000	
1	Multisystemic Therapy	\$ 15,225,000	\$ 15,225,000	\$ 30,450,000	Contracts executed for 22 teams serving 39 counties.
2	Coordinated Specialty Care	\$ 2,100,000	\$ 2,100,000	\$ 4,200,000	Six teams in total, including three new and three existing teams.
3	Mental Health Services for the Uvalde Community	\$ 5,000,000	\$ 5,000,000	\$ 10,000,000	HHSC is in the process of executing a new contract to provide enhanced outpatient services and supports for the Uvalde area for fiscal year 2025.
4	Uvalde Behavioral Health Campus	\$ -	\$ 5,000,000	\$ 5,000,000	HHSC is in the process of executing a contract. Groundbreaking scheduled for October 17, 2024.
f	Behavioral Health Administration	\$ 2,501,039	\$ 2,287,075	\$ 4,788,114	
1	Contracted Inpatient Beds Administration	\$ 585,121	\$ 546,259	\$ 1,131,380	Administrative funding to support expanded behavioral health efforts.
2	Community Mental Health Grant Programs Administration	\$ 1,071,316	\$ 970,050	\$ 2,041,366	
3	Budget Execution Order Sustainability	\$ 411,332	\$ 368,585	\$ 779,917	
4	Crisis Services Administration	\$ 345,191	\$ 321,875	\$ 667,066	
5	Innovation Grants Administration	\$ 88,079	\$ 80,306	\$ 168,385	
TOTAL		\$ 409,744,592	\$ 412,030,084	\$ 821,774,676	

Source: Health and Human Services Commission; Legislative Budget Board

Notes:

According to the agency, HHSC received a total of \$120.0 million in annual funding requests above available fiscal year funding provided in response to Needs Capacity Assessments for step-down programs, crisis stabilization facilities and diversion centers, crisis respite units for youth, youth mobile crisis outreach teams, and multisystemic therapy, and coordinated specialty care.

**Health and Human Services Commission
Appropriations for New Inpatient Mental Health Construction - Senate**

Project ^{1,2}	HHSC Rider 147 (2018-19 GAA)	Senate Bill 500, Eighty-sixth Legislature, 2019	House Bill 2, Eighty-seventh Legislature, 2021	Senate Bill 8, Eighty-seventh Legislature, 3rd Called Session, 2021	2022-23 GAA	Senate Bill 30, Eighty-eighth Legislature, 2023	2024-25 GAA	GRAND TOTAL
Sunrise Canyon - 30 Bed Expansion ³	\$ -	\$ -	\$ -	\$ 15,000,000	\$ -	\$ 45,000,000	\$ -	\$ 60,000,000
Uvalde Behavioral Health Campus - 32 Crisis Beds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,600,000	\$ -	\$ 33,600,000
Beaumont Baptist Hospital - 72 Beds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,000,000	\$ -	\$ 64,000,000
Community Mental Health Grant Program for County-Based Collaboratives	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000,000	\$ -	\$ 100,000,000
Mental Health Inpatient Facility Grant Program - Rio Grande Valley 100 Beds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,000,000	\$ -	\$ 85,000,000
Mental Health Inpatient Facility Grant Program - Montgomery County 100 Beds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000,000	\$ -	\$ 50,000,000
Mental Health Inpatient Facility Grant Program - Victoria County 60 Beds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000,000	\$ -	\$ 40,000,000
Children's Hospitals Construction Grant Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,852,990	\$ -	\$ 15,852,990
Community Construction Subtotal⁴	\$ -	\$ -	\$ -	\$ 15,000,000	\$ -	\$ 433,452,990	\$ -	\$ 448,452,990
San Antonio State Hospital - 40-Bed Unit and Maximum Security Unit (MSU) Conversion	\$ 11,500,000	\$ -	\$ -	\$ -	\$ -	\$ 15,000,000	\$ -	\$ 26,500,000
John S. Dunn Behavioral Sciences Center - 264 Bed Facility	\$ 125,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,000,000
Kerrville State Hospital - 70 Bed MSU	\$ 30,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,500,000
Rusk State Hospital - 100 Bed MSU and 100 Bed Non-MSU	\$ 96,000,000	\$ 90,054,363	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 186,054,363
Austin State Hospital - 240 Bed Replacement Hospital	\$ 15,500,000	\$ 165,000,000	\$ 124,100,000	\$ -	\$ -	\$ -	\$ -	\$ 304,600,000
San Antonio State Hospital - 300 Bed Replacement Hospital	\$ 14,500,000	\$ 190,300,000	\$ 152,400,000	\$ -	\$ -	\$ -	\$ -	\$ 357,200,000
Texas Behavioral Health Center at UTSW - 200 Bed Adult Non-MSU for adults and 92 Bed Pediatric Unit	\$ -	\$ -	\$ 44,750,000	\$ 237,800,000	\$ 125,000,000	\$ 101,890,000	\$ 136,000,000	\$ 645,440,000
Lubbock Campus - 50 Bed MSU	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,000,000	\$ -	\$ 121,000,000
Amarillo State Hospital - 75 Bed Facility	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 159,000,000	\$ -	\$ 159,000,000
Rio Grande Valley - 50 Bed MSU	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000,000	\$ -	\$ 120,000,000
Terrell State Hospital - 250 Bed Replacement Hospital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 573,000,000	\$ -	\$ 573,000,000
North Texas State Hospital - Wichita Falls - 200 Bed Replacement Hospital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 452,000,000	\$ -	\$ 452,000,000
El Paso State Hospital - 50 Bed Non-MSU	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000,000	\$ -	\$ 50,000,000
Health and Human Services Commission (HHSC) State Hospital Construction Subtotal⁵	\$ 293,000,000	\$ 445,354,363	\$ 321,250,000	\$ 237,800,000	\$ 125,000,000	\$ 1,591,890,000	\$ 136,000,000	\$ 3,150,294,363
Texas Facilities Commission (TFC) Permian Basin Behavioral Health Center - 200 Bed Facility ^{3,6}	\$ -	\$ -	\$ -	\$ 40,000,000	\$ -	\$ 86,700,000	\$ 50,000,000	\$ 176,700,000
University of Texas Health Science Center at Tyler - 44 Bed Expansion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,000,000	\$ -	\$ 7,000,000
Other State Agency Mental Health Hospital Construction Subtotal	\$ -	\$ -	\$ -	\$ 40,000,000	\$ -	\$ 93,700,000	\$ 50,000,000	\$ 183,700,000
GRAND TOTAL, NEW INPATIENT MENTAL HEALTH CONSTRUCTION SINCE 2018-19	\$ 293,000,000	\$ 445,354,363	\$ 321,250,000	\$ 292,800,000	\$ 125,000,000	\$ 2,119,042,990	\$ 186,000,000	\$ 3,782,447,353

Source: Legislative Budget Board, HHSC

Notes:

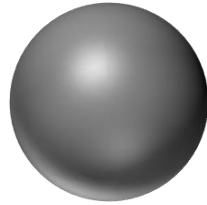
- 1) Includes construction projects intended to increase statewide inpatient mental health capacity, including competitive construction grant programs, and to replace aging infrastructure at existing mental health state hospitals.
- 2) Excludes other funding provided in the 85th through 88th Legislative Sessions for deferred maintenance, information technology upgrades, water-storm run-off systems, full-time-equivalent oversight, and certain other non-inpatient construction appropriations.
- 3) Excludes anticipated donations provided by local or private entities.
- 4) Appropriations were provided to HHSC but will be awarded to other entities.
- 5) Hospitals will be owned by HHSC and will either be operated by HHSC or health-related institutions.
- 6) Appropriations were provided to TFC but, pursuant to Senate Bill 8 and Senate Bill 30, ownership shall transfer to the Permian Basin Behavioral Health Center controlled by the Ector County Hospital District and the Midland County Hospital District.

Texas Health & Human Services Commission

Summary of Federal Funds for Medicaid and CHIP (2026-27) - Senate

Total \$48,770.1M

Medical Assistance Program
\$43,716.4
89.6%



Funds for health insurance for low-income individuals

All Other Medicaid Program Funds
\$4,191.9
8.6%



Funds for other Medicaid-related programs, including administration

State Children's Health Insurance Program
\$861.8
1.8%



Funds for health insurance coverage for children and pregnant women not eligible for Medicaid

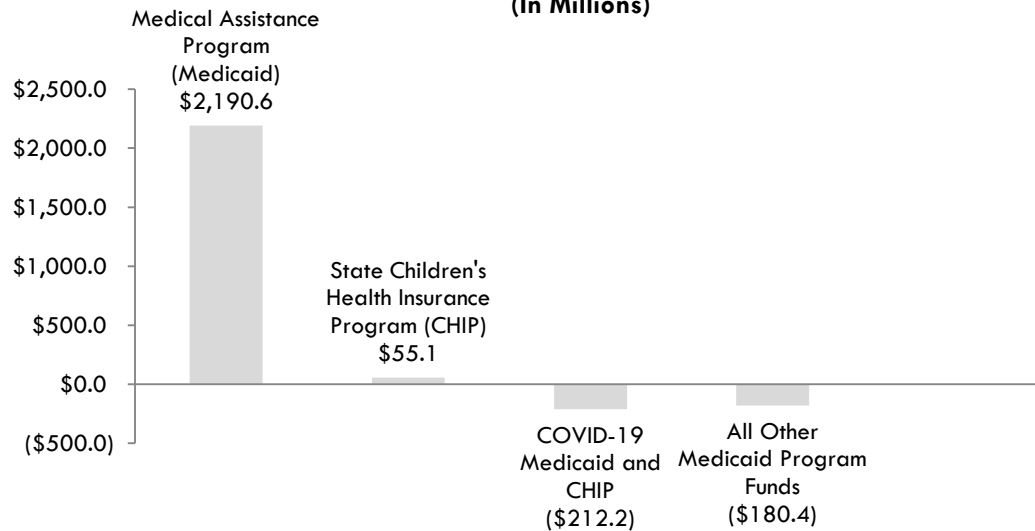
Selected Federal Fiscal and Policy Issues

Recommendations include a total of \$48.7 billion for Medicaid matching funds and administrative assistance. This includes an increase of \$2,190.6 million (5.3%) for Medicaid services.

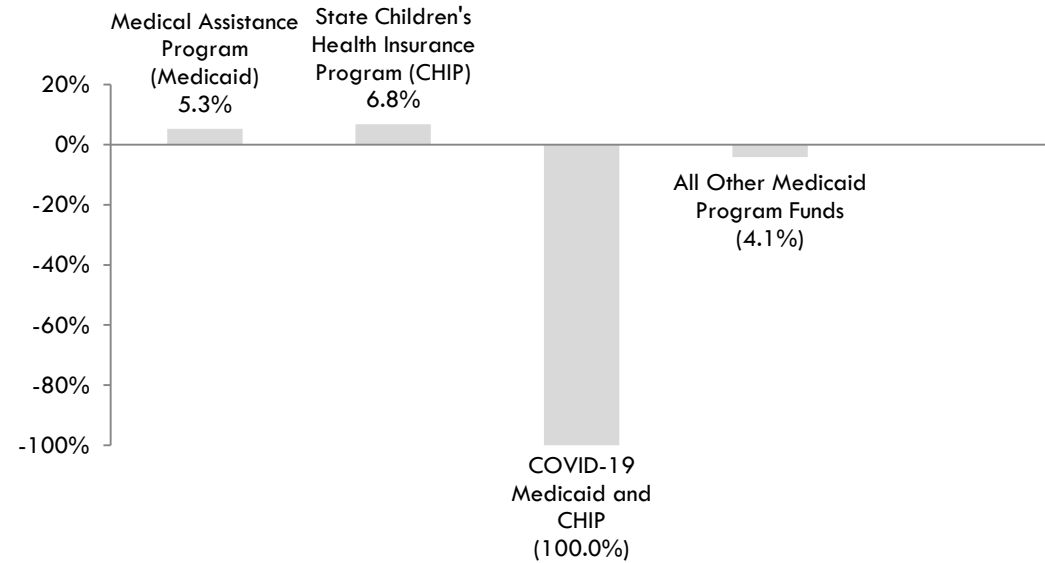
Major items contributing to the increase include projected caseload growth and maintaining historical average costs for most services. The FMAP and EFMAP are projected to be less favorable in FFYs 2026-27 relative to FFYs 2024-25, in part due to the discontinuation of the 6.2 percentage point increase authorized by the Families First Coronavirus Response Act. This results in the Medicaid and CHIP programs being financed with a higher proportion of General Revenue relative to previous biennia.

Programs with Significant Federal Funding Changes from 2024-25

Program Change-by Amount (In Millions)

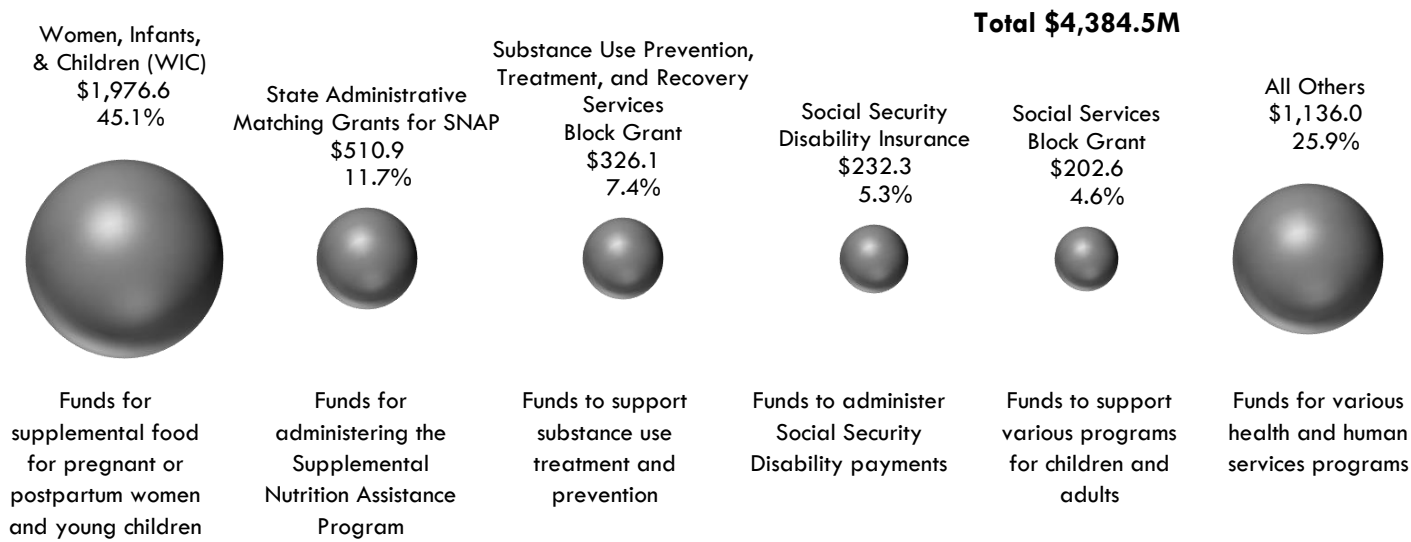


Program Change-by Percentage



Texas Health & Human Services Commission

Summary of Federal Funds at HHSC, Excluding Medicaid/CHIP (2026-27) - Senate



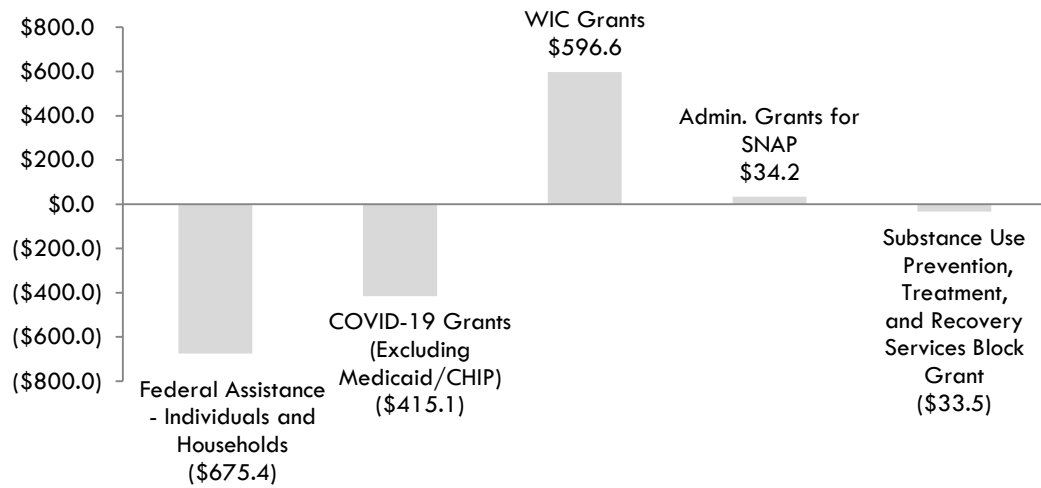
Selected Federal Fiscal and Policy Issues

Recommendations reflect assumed decreases related to Federal Disaster Assistance for Individuals and Households. This funding was awarded in the 2024-25 biennium for severe weather and Hurricane Beryl disaster response.

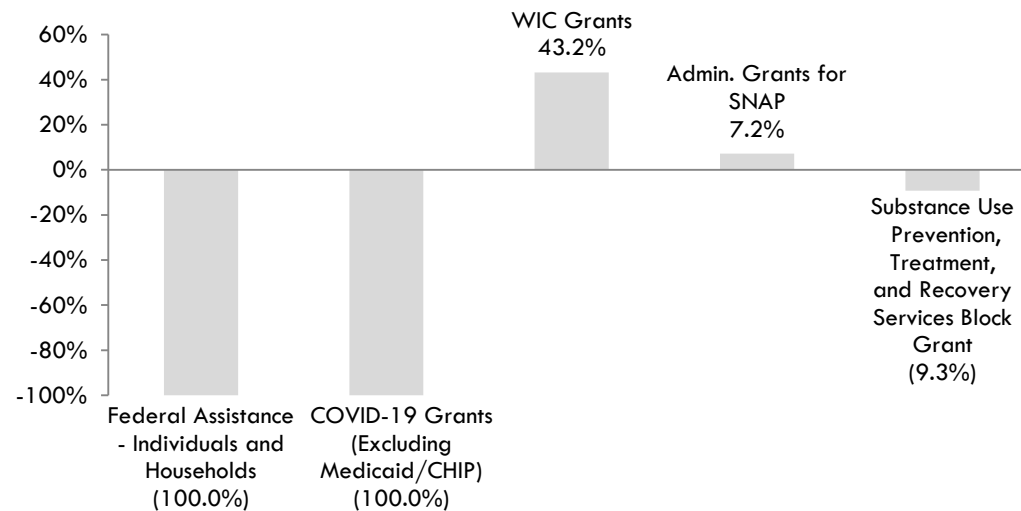
Other decreases include a \$415.1 million reduction in one-time COVID-19 funding compared to the prior biennium. Recommended WIC funding reflects an anticipated increase related to caseload growth and higher food costs.

Programs with Significant Federal Funding Changes from 2024-25

Program Change-by Amount (In Millions)



Program Change-by Percentage



**Health and Human Services Commission
Rider Highlights - Senate**

Modification of Existing Riders (new rider number)

6. **Medicaid Enterprise Systems (MES).** Recommendations clarify that the Medicaid Management Information System (MMIS) Modernization project is included under the purview of the Executive Steering Committee.
8. **Hospital Payments.** Recommendations add former Rider 16, Rural Labor and Delivery Medicaid Add-on Payment, 2024-25 General Appropriations Act (GAA), to the rider to consolidate listings of Medicaid hospital add-on payments in a single rider. Recommendations make other conforming changes for the 2026-27 budget structure and to align the listing of add-on payments with recommended amounts.
9. **Increase Consumer Directed Services.** Recommendations remove references to the Texas Council on Consumer Direction. Pursuant to Texas Administrative Code Rule 351.817, the Council was abolished on July 31, 2024.
10. **Medicaid Therapy Services Reporting.** Recommendations change reporting requirement from biannual to annual to reduce administrative burden.
13. **Waiver Program Cost Limits.** Recommendations change reporting requirement from biannual to annual to reduce administrative burden. Recommendations make conforming changes to refer to the Home and Community-based Services (HCBS) waiver programs and clarify that the report should include a breakout by program of clients who exceed waiver program cost limits.
14. **Supplemental Payment Programs Reporting and Appropriation Authority for Intergovernmental Transfers.** Recommendations do the following: specify who the reports required by the rider should be submitted to; replace reporting requirements on state-owned hospital transfers for disproportionate share payments and uncompensated care payments and transfers with the Centers for Medicare & Medicaid Services (CMS) reports on Medicaid Program Budget (CMS-37) and Medicaid and CHIP State Budget and Expenditure Reporting (CMS-64), which include information on the use of matching state and local funds in the Medicaid program; and make other conforming changes.
19. **Access to Federal Data Services Hub.** Recommendations specify the state and federal funds appropriated for this purpose. Pursuant to federal rule, the hub transitioned from a 100.0 percent federally funded service to a 25.0 percent state funded and 75.0 percent federally funded service on July 1, 2024.
21. **Informational Listing: End-of-year Waiver Slots Funding.** Recommendations remove one-time direction on 2024-25 appropriations to increase waiver slots and reduce interest lists. The funding is maintained in 2026-27 recommendations. Recommendations make other conforming changes to the 2026-27 budget structure and to align the listing of waiver funding and performance with recommended amounts.
33. **Reporting of Waiting Lists for Mental Health Services.** Recommendations change reporting requirement from biannual to annual to reduce administrative burden. Recommendations clarify report shall provide information on the average number of calendar days spent on the waiting list.
35. **Reporting of Opioid-Related Expenditures.** Recommendations remove Department of State Health Services (DSHS) and Department of Family and Protective Services (DFPS) expenditures from the annual report due to minimal to no expenditures reported in previous reports. Recommendations make other conforming updates to medical service terminology.

36. **Community Mental Health Grant Programs.** Recommendations remove direction concerning prioritization of proposals related to the grant program to reduce recidivism, arrest, and incarceration among individuals with mental illness, as the agency has implemented the direction during the 2024-25 biennium. Recommendations make other conforming changes, including clarifying that the grant programs authorized by Senate Bill 26 and Senate Bill 1677, Eighty-eighth Legislature, Regular Session, 2023, have been implemented.
37. **Block Grants for Community Mental Health and Substance Use Services.** Recommendations combine similar reporting requirements related to reporting on federal mental health and substance use block grants.
46. **Women's Health Programs: Savings and Performance Reporting.** Recommendations add a reporting requirement for Women's Health programs concerning Women's Preventive Health Mobile Units active throughout the state within the previous 36-months of the reporting year.
50. **Thriving Texas Families.** Recommendations modify the rider to reflect the codification of the Alternatives to Abortions as Texas Thriving Families.
53. **Limitation on Federal Funds Appropriations for Early Childhood Intervention Services.** Recommendations add a 30-business day time clock for auto-approval of requests to exceed appropriation authority for Special Education Grants for Infants and Families (IDEA Part C) federal funds. Recommendations make other conforming changes.
54. **Reporting on Early Childhood Intervention.** Recommendations modify the rider to include clarifying language for the reporting requirements.
60. **Funding for Child Advocacy Center Programs and Court Appointed Special Advocate Programs.** Recommendations modify rider remove one-time language concerning regional support centers due to agency implementation. Recommendations make other conforming changes.
81. **Language Interpreter Services.** Recommendations modify language to allow for staff providing language interpreter services to be paid an amount over the salary rates provided by Article IX, Section 3.01, Salary Rates. This is similar to other riders in the HHSC bill pattern that allow for additional payments for certain facility-based staff or services.
88. **State Hospital Forensic Waitlist and Census Reporting Requirement.** Recommendations revise the rider title to clarify that the rider includes a reporting requirement on the average daily census by patient mix.
92. **Texas Civil Commitment Office.** Recommendations modify rider to allow for a one-time transfer with notification only from Strategy M.1.2, Texas Civil Commitment Office (TCCO) Administration, to Strategy M.1.1, TCCO, instead of a request. Recommendations clarify reporting requirements use a business day submission.
95. **Appropriation: Women, Infant, and Children (WIC) Rebates.** Recommendations modify rider to clarify WIC rebate revenue collected above the appropriated amount are appropriated to HHSC for the same purpose. Recommendations make other conforming changes.
108. **Limitations on Transfer Authority.** Recommendations modify rider to align with 2026-27 budget structure. Recommendations allow for some additional transfer flexibility for Strategies D.1.4, ECI Respite; D.1.6, Autism Program; D.1.7, Children with Special Health Care Needs; and Strategy F.3.2, Child Advocacy Programs; as these were limitations set in place prior to health and human service agency consolidation pursuant to Senate Bill 200, Eighty-fourth Legislature, Regular Session, 2015, and the agency has utilized the transfer authority very minimally if at all since consolidation for those strategies. Recommendations add restrictions for Strategy G.2.1, Mental Health State Hospitals.

110. **Appropriation Transfers between Fiscal Years.** Recommendations allow for the carryback request authorized by the rider to include a carryback request to transfer appropriations to Strategy M.1.1, Texas Civil Commitment Office, to provide for unanticipated events that increase offsite healthcare costs for civilly committed residents served by the Texas Civil Commitment Office. Recommendations make other conforming changes.
118. **Transfer Authority: Home and Community-based Services-Adult Mental Health.** Recommendations distinguish appropriations included in Strategy D.2.3, Behavioral Health Waiver and Plan Amendment, for the Home and Community-based Services-Adult Mental Health (HCBS-AMH) program. HHSC would be allowed to make transfers pursuant to the rider for demand above the appropriated level listed in the rider. Recommendations clarify that the notification must be provided within 30 business days of making a transfer.
120. **Reimbursement of Advisory Committee Members.** Recommendations remove the Texas Council on Consumer Direction and STARS Kids Managed Care Advisory Committee. Pursuant to Texas Administrative Code Rule 351.817, the Texas Council on Consumer Direction was abolished on July 31, 2024. Pursuant to Government Code, 533.00254, the STAR Kids Managed Care Advisory Committee was abolished on December 1, 2023. Recommendations also clarify that the rider applies to the Board for Evaluation of Interpreters Advisory Committee.
123. **Revolving Account for the Consolidated Health and Human Services Print Shop.** Recommendations modify language to allow for the cross-biennia transfer of unexpended balances for the print shop, which is similar to how other revolving funds are treated across articles in the General Appropriations Act. Recommendations make other conforming changes.

In addition to the modifications listed above, the following riders include non-substantive or conforming changes to remove obsolete language, update fiscal years, align with the 2026-27 budget structure, and update amounts to reflect funding recommendations:

Rider 2, Capital Budget; Rider 5, Graduate Medical Education; Rider 11, Medically Dependent Children Program and Youth Empowerment Services Waivers; Rider 15, Federal Provider Enrollment and Screening Fee; Rider 16, Use of Certain Additional Medicaid Revenues; Rider 26, Informational Listing: Children's Health Insurance Program (CHIP) Funding; Rider 28, Tobacco Settlement Receipts; Rider 30, Mental Health Outcomes and Accountability; Rider 31, Mental Health Appropriations and Federal Matching Opportunities; Rider 32, Mental Health Peer Support Re-entry Program; Rider 34, Mental Health Program for Veterans; Rider 38, Rural Hospital Telepsychiatry Consultations; Rider 47, Funding for Healthy Texas Women Plus; Rider 49, Primary Care and Specialty Care Provisions; Rider 51, Informational Listing: Women's Health Funding; Rider 52, Education Funding; Rider 55, Autism Program Provisions; Rider 60, Funding for Child Advocacy Center Programs and Court Appointed Special Advocate Programs; Rider 61, Lifespan Respite Care Program; Rider 62, Family Violence Services; Rider 64, Unexpended Balances: Intellectual and Developmental Disabilities (IDD) Crisis Funding; Rider 65, Multi-Assistance Center Demonstration Project; Rider 66, Texas Colorectal Cancer Initiative; Rider 67, Rural Hospital Grant Program; Rider 68, Nutrition Incentives; Rider 70, Prevention Outcomes; Rider 71, At-Risk Prevention Program and Services; Rider 72, Appropriation of Unexpended Balances for Prevention Programs; Rider 73, Curriculum for Parental Engagement and Family Preservation; Rider 74, Long-Term Youth and Family Support; Rider 79, State Hospital and State Supported Living Center Workforce; Rider 94, Vendor Drug Rebates and Report; Rider 96, Subrogation Receipts; Rider 97, Revolving Fund Services: Canteen Services and Work Centers; Rider 98, Appropriation of Donations: Blindness Education Screening and Treatment; Rider 99, Mental Health (MH) and Intellectual Disability (ID) Collections for Patient Support and Maintenance; Rider 100, Mental Health (MH) and Intellectual Disability (ID) Appropriated Receipts; Rider 101, Mental Health (MH) and Intellectual Disability (ID) Medicare Receipts; Rider 102, Texas Capital Trust Fund Account No. 543; Rider 104, Appropriation: Contingent Revenue; Rider 105, Appropriations Limited to Revenue Collections; Rider 106, Texas.Gov Authority Appropriation; Rider 109, Appropriation and Unexpended Balances: Affordable Housing for the Elderly; Rider 112, Unexpended Balances: Deaf and Hard of Hearing Services; Rider 113, Unexpended Construction Balances; Rider 114, State Owned Multicategorical Teaching Hospital Account; Rider 115, Disposition of Appropriation Transfers from State Hospitals; Rider 117, Appropriation of Unexpended Balances: Funds Recouped from Local Authorities; Rider 125, Efficiencies at Local Mental Health Authorities and Intellectual Disability Authorities; Rider 126, Transfer for Health Professions Council; Rider 127, Staffing in Lieu of Contracted Responsibilities; and Rider 128, SNAP Performance Payments.

New Riders

3. **Informational Listing: Medicaid Client Services.** Recommendations add informational rider to maintain appropriations detail for Medicaid client services that had been displayed at a budget strategy level in previous biennia.
 22. **Temporary Full-Time Equivalent (FTE) Authority for the Unwinding of Continuous Medicaid Coverage.** Recommendations add rider to identify temporary FTE authority provided to support the unwinding of continuous Medicaid coverage, to be phased out by the end of the 2026-27 biennium.
 23. **Base Wage Increase for Personal Attendant Services.** Recommendations add rider to identify appropriations provided to increase the base wage for personal attendant services to \$12.00 per hour.
 24. **Rate Increase for Certain Maternal Fetal Medicine Radiological Services.** Recommendations add rider to identify appropriations provided to increase the Medicaid reimbursement rate for maternal fetal medicine radiological services.
 25. **Rate Increase for Nursing Facilities.** Recommendations add rider to identify appropriations provided to increase the dietary subcomponent and the facility and operations subcomponent of the Medicaid reimbursement rate for nursing facilities.
 29. **Informational Listing: Community Mental Health Services Funding.** Recommendations add informational rider to maintain appropriations detail for Community Mental Health services that had been displayed at a budget strategy level in previous biennia.
 39. **Informational Listing: Community Mental Health Hospital Beds.** Recommendations add informational rider to identify appropriations provided for contracted inpatient beds at the John S. Dunn Behavioral Sciences Center and the Harris County Psychiatric Center.
 40. **Galveston County Crisis Stabilization Services.** Recommendations add rider to identify appropriations to support crisis services in Galveston County.
 41. **Youth Mobile Crisis Outreach Teams.** Recommendations add rider to identify appropriations for youth mobile crisis outreach teams, including funding to support at least eight new teams. Rider provides additional direction regarding establishment of coverage tiers.
 69. **Stroke Treatment and Response.** Recommendations add a new rider directing appropriations from the General Revenue Fund be used to establish mobile stroke units.
 93. **Texas Pharmaceutical Initiative (TPI).** Recommendations add a new rider to identify FTE appropriations for TPI; provide transfer authority for unexpended balances for Strategy N.1.1, Texas Pharmaceutical Initiative, between the 2024-25 and 2026-27 biennia, and within the 2026-27 biennium; require quarterly reports on appropriated, budgeted, expended, and projected funds and full-time-equivalents; and add Sunset Contingency clause in the event that the agency is not continued pursuant to House Bill 4990, Eighty-eighth Legislature, Regular Session, 2023. The enabling statute for TPI expires September 1, 2025.
- Deleted Riders (original rider number)**
4. **Cost Comparison Report.** Recommendations delete rider. Similar information is maintained and reported through agency performance measures for the Home and Community-based Services waiver program, the Texas Home Living waiver program, and Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFs/IID).
 11. **Evaluation of Medicaid Data.** Recommendations delete rider. According to HHSC, the process for evaluating managed care organization data is well-established and HHSC currently has the authority to evaluate data requirements.

16. **Rural Labor and Delivery Medicaid Add-on Payment.** Recommendations add the provisions of the rider to Rider 8, Hospital Payments, to consolidate listings of Medicaid hospital add-on payments in a single rider.
21. **Health and Human Services Cost Containment.** Recommendations delete one-time directive to the agency.
24. **Nursing Facility Reimbursement Rate Increase.** Recommendations delete rider due to agency implementation. The funding is maintained in 2026-27 recommendations.
25. **Patient Driven Payment Model for Nursing Facility Services.** Recommendations delete rider due to agency implementation. The funding for nursing facility rate increases is maintained in 2026-27 recommendations. The funding for modifications to MMIS is not included in 2026-27 recommendations due to the one-time nature of the funding.
27. **Funding for the Unwinding of Continuous Medicaid Coverage.** Recommendations delete one-time funding to support efforts related to the unwind of continuous Medicaid Coverage. The funding is not included in 2026-27 recommendations.
28. **2-1-1 Texas Information & Referral Network (TIRN).** Recommendations delete rider due to agency implementation. The funding is maintained in 2026-27 recommendations.
29. **Deaf-Blind Multiple Disabilities Case Management.** Recommendations delete rider due to agency implementation. The funding is maintained in 2026-27 recommendations.
30. **Information on Funding Provided for Attendant Wages.** Recommendations delete rider due to agency implementation. The funding is maintained in 2026-27 recommendations.
31. **Rates: Improving Access to Pediatric Services and Women's Health Related Surgeries.** Recommendations delete rider due to agency implementation. The funding is maintained in 2026-27 recommendations.
32. **Transition of Medicaid Only Services into Managed Care for Dually Eligible People.** Recommendations delete rider due to expected agency implementation.
33. **Ground Ambulance Reimbursement Rates.** Recommendations delete rider due to agency implementation. The funding is maintained in 2026-27 recommendations.
34. **Private Duty Nursing.** Recommendations delete rider due to agency implementation. The funding is maintained in 2026-27 recommendations.
35. **Funding for Medicaid Pediatric Long-Term Care Facility Rate Increase.** Recommendations delete rider due to agency implementation. The funding is maintained in 2026-27 recommendations.
36. **Medicaid and CHIP Provider Enrollment and Credentialing Portal.** Recommendations delete rider due to agency implementation. The funding is biennialized in 2026-27 recommendations.
37. **Report on Uncompensated Trauma Payments.** Recommendations delete one-time reporting requirement.
41. **Contingency for Behavioral Health Funds.** Recommendations delete rider as all provisions are currently covered in Article IX, Section 10.04, Statewide Behavioral Health Strategic Plan and Coordinated Expenditures.

50. **Substance Abuse Prevention and Treatment Block Grant.** Recommendations delete rider, as requirements of rider are added to Rider 33, Block Grants for Community Mental Health and Substance Use Services.
51. **Outpatient Integrated Care Clinic Project.** Recommendations delete one-time funding to establish an integrated care clinic for behavioral health integration. The funding is not included in 2026-27 recommendations.
52. **Informational Listing: Additional Mental Health Funding.** Recommendations delete one-time directive to the agency. The funding is maintained or biennialized in 2026-27 recommendations.
53. **Rates: Reimbursement for Federal Substance Abuse Prevention and Treatment Block Grant Services.** Recommendations delete rider due to agency implementation. The proposed rates went into effect November 1, 2023, and primarily impacted residential services, including adult, youth, specialized female (pregnant women and women with children), and pregnant post-partum residential programs.
54. **Maintenance of Critical Services: Local Authority Workforce Capacity.** Recommendations delete one-time directive to the agency. The funding is maintained in 2026-27 recommendations.
55. **University of Texas Health Science Center at Tyler Contracted Mental Health Beds.** Recommendations delete rider due to agency implementation. Based on information from HHSC, appropriations were used to provide a 14.7 percent increase to the bed day rate. The funding is maintained in 2026-27 recommendations.
67. **Women's Preventive Health Mobile Units.** Recommendations delete one-time directive to the agency. The funding is maintained in 2026-27 recommendations and adds a reporting requirement to Rider 40, Women's Health Programs: Savings and Performance Reporting.
68. **Family Resources Website.** Recommendations delete one-time directive to the agency. The ongoing maintenance funding is included in 2026-27 recommendations.
69. **Healthy Texas Women Enrollment Support.** Recommendations delete one-time directive to the agency. The funding is maintained in 2026-27 recommendations.
70. **Family Planning Program Funds Gone Notification.** Recommendations delete one-time reporting requirement.
84. **Crisis Intervention and Respite Services.** Recommendations delete rider. According to HHSC, the local intellectual and developmental disability authorities (LIDDAs) would still have authority to provide crisis respite services on State Supported Living Center (SSLC) campuses.
87. **Home-Delivered Meals.** Recommendations delete rider due to agency implementation. The funding is maintained in 2026-27 recommendations.
90. **Enhanced Capacity for Family Violence Services.** Recommendations delete one-time directive to the agency. The funding is maintained in 2026-27 recommendations.
104. **State Hospital Salary Funding.** Recommendations delete one-time directive to the agency. The funding is maintained in 2026-27 recommendations.
105. **Cost Containment for State Hospital Construction.** Recommendations delete one-time directive to the agency.
106. **Paving Facility Campuses.** Recommendations delete one-time directive to the agency. According to HHSC, no federal funding was identified to maintain and construct roads, parking lots, sidewalks, trails, and other paving at HHSC facilities.
107. **State Hospital Cost Study.** Recommendations delete one-time reporting requirement.

108. **One-time Funding for Facility Inflationary Costs.** Recommendations delete one-time funding for inflationary costs. The funding is not included in 2026-27 recommendations.
128. **Appropriation of Receipts: Certificate of Public Advantage Fees.** Recommendations delete the rider. Pursuant to Health & Safety Code, Section 314A.004, the Office of the Governor changed the designated agency to approve hospitals operating under a certificate of public advantage changes in rates for inpatient or outpatient hospital services from HHSC to the Office of Public Insurance Counsel (OPIC) on August 14, 2024. Recommendations assume a reduction of 1.0/1.0 FTE related to the transfer of this function to OPIC.
141. **Monthly Financial Reports.** Recommendations transfer provisions of the rider to Special Provisions Relating to All Health and Human Services Agencies.
149. **Prevent Eligibility Determination Fraud.** Recommendations delete rider due to agency implementation.
150. **Reporting Requirement: COVID-19 Funding to Nursing Facilities and Hospitals.** Recommendations delete one-time reporting requirement.
152. **Clear Process for Including Prescription Drugs on the Texas Drug Code Index.** Recommendations delete rider due to agency implementation. This information is published on the agency's website.
153. **Contracts for State Leases.** Recommendations delete one-time directive to the agency. The funding is maintained in 2026-27 recommendations.
155. **Ellie's Law.** Recommendations delete rider due to agency implementation.
156. **Medicaid Reimbursement Rate Review for Pediatric Care Center.** Recommendations delete one-time directive to agency.
157. **Comal County Mental Health Facility.** Recommendations delete rider due to agency implementation. The funding is maintained in 2026-27 recommendations.
158. **Sunrise Canyon Operational Funding.** Recommendations delete rider due to agency implementation. The funding is maintained in 2026-27 recommendations.
159. **Community Services Grant.** Recommendations delete one-time directive to the agency. The funding is maintained in 2026-27 recommendations.
160. **Charity Care and Hospital Transparency.** Recommendations delete one-time reporting requirement. The funding is not included in 2026-27 recommendations.
- 161 through 168 **Contingency Riders.** Recommendations delete contingency riders for legislation that passed during the Eighty-eighth Legislature, Regular Session, 2023. Funds are either maintained, reduced, or removed for one-time direction. See Section 3 and Appendix A for more information by item.
170. **Faith and Community Based Coordination.** Recommendations delete rider as this program remained at DFPS rather than transferring to HHSC.
175. **Contingent Appropriation: Prevention and Early Intervention.** Recommendations delete rider due to agency implementation. The funding is maintained in 2026-27 recommendations.

**Health and Human Services Commission
Items Not Included in Recommendations - Senate**

	2026-27 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2028-29
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items Not Included (in agency priority order)

1)	Maintain Client Services Cost Growth	\$2,856,910,626	\$8,799,994,660	0.0	No	No	\$0
2)	Support Ongoing Medicaid and CHIP Operations	\$5,685,552	\$12,457,926	0.0	Yes	Yes	\$12,457,926
3)	Resources to Carry Out the Agency Mission	\$36,543,376	\$50,301,630	151.0	Yes	No	\$49,607,742
4)	Prevent Loss of Services - Compliance with Federal Medicaid Access Rules	\$33,086,630	\$61,696,716	139.0	Yes	Yes	\$58,518,905
5)	State Initiatives	\$20,587,540	\$22,597,145	68.0	Yes	Yes	\$22,247,508
6)	Protecting Vulnerable Adults and Children from Abuse, Neglect and Exploitation	\$31,312,880	\$32,789,756	138.0	No	Yes	\$31,450,179
7)	Reduce Medicaid Interest Lists	\$35,226,560	\$86,221,096	18.0	No	No	\$247,826,947
8)	Increasing Services for People with Disabilities	\$17,327,021	\$17,354,140	4.0	Yes	Yes	\$17,311,256
9)	Client Safety in State Operated Facilities	\$41,471,641	\$41,861,494	16.0	Yes	Yes	\$30,956,132
10)	Ensure Delivery of Client Services	\$54,783,312	\$67,512,514	47.0	Yes	Yes	\$34,575,765
11)	Improve Client Outcomes through Data Quality and Reporting	\$22,589,299	\$37,943,549	27.0	Yes	Yes	\$22,851,076
12)	OIG - Correct GR Shortfall	\$5,953,254	\$5,953,254	0.0	No	No	\$5,953,254
13)	OIG - Improve Employee Recruitment and Retention	\$1,297,230	\$2,500,000	0.0	No	No	\$2,500,000
14)	OIG - Modernize Surveillance Utilization Review Technology	\$2,224,645	\$3,091,704	2.5	Yes	Yes	\$374,064
15)	OIG - Financial Support and Collections Processing	\$728,521	\$1,354,250	6.3	No	No	\$1,291,522
16)	OIG - Increase Audit Staff Resources to Meet Requirements of TGC 531.1025	\$1,433,454	\$2,274,087	8.4	No	No	\$2,190,452
17)	OIG - Staff Resources and eDiscovery Software	\$2,637,370	\$4,163,937	10.5	Yes	Yes	\$3,915,150
18)	OIG - Pay OIG Peace Officers According to Schedule C	\$2,697,822	\$2,988,260	0.0	No	No	\$2,988,260
19)	OIG - Enhanced Fraud Analytics and Innovative Process Technologies	\$3,517,843	\$4,805,418	4.0	Yes	Yes	\$2,671,199
20)	TCCO - Caseload Growth	\$5,619,364	\$5,619,364	0.0	No	No	\$7,282,348
21)	TCCO - Reinstatement of Client Services Funding	\$1,866,691	\$1,866,691	0.0	No	No	\$0
22)	TCCO - FY 2025 Baseline Leveling	\$1,698,866	\$1,698,866	0.0	No	No	\$0
23)	TCCO - Offsite Healthcare Costs	\$12,349,696	\$12,349,696	0.0	No	No	\$12,650,908
24)	TCCO - Contract Rate Adjustment Costs	\$3,037,321	\$3,037,321	0.0	No	No	\$3,797,678
25)	TCCO - Case Manager Career Ladder	\$115,934	\$115,934	0.0	No	No	\$155,344

**Health and Human Services Commission
Items Not Included in Recommendations - Senate**

		2026-27 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2028-29
		GR & GR-D	All Funds	FTEs			
26)	TCCO - 24-Hour Medical	\$3,777,337	\$3,777,337	0.0	No	No	\$5,045,358
27)	TCCO - High-Risk Pay	\$24,360	\$24,360	0.0	No	No	\$24,360
28)	TCCO - Vehicle Replacement	\$60,164	\$60,164	0.0	No	No	\$0
29)	TCCO - Client Dental Services	\$219,695	\$219,695	0.0	No	No	\$219,696
30)	TCCO - Microsoft O365 License Upgrade	\$43,002	\$43,002	0.0	Yes	No	\$43,638
TOTAL Items Not Included in Recommendations		\$3,204,827,006	\$9,286,673,966	639.7			\$578,906,667

**Health and Human Services Commission
Appendices - Senate**

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**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
MEDICAID CLIENT SERVICES A.1.1	\$66,213,448,854	\$70,349,560,340	\$4,136,111,486	6.2%	
GENERAL REVENUE FUNDS	\$25,644,980,289	\$28,070,829,496	\$2,425,849,207	9.5%	
GR DEDICATED	\$124,687,060	\$124,687,060	\$0	0.0%	
FEDERAL FUNDS	\$39,807,436,330	\$41,514,026,862	\$1,706,590,532	4.3%	
OTHER FUNDS	\$636,345,175	\$640,016,922	\$3,671,747	0.6%	
HOME AND COMMUNITY-BASED SERVICES A.2.1	\$2,799,802,724	\$2,903,413,398	\$103,610,674	3.7%	
GENERAL REVENUE FUNDS	\$1,096,905,364	\$1,164,766,481	\$67,861,117	6.2%	
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$1,702,897,360	\$1,738,646,917	\$35,749,557	2.1%	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
COMMUNITY LIVING ASSISTANCE (CLASS) A.2.2	\$724,662,850	\$802,667,128	\$78,004,278	10.8%	
GENERAL REVENUE FUNDS	\$255,943,360	\$289,987,030	\$34,043,670	13.3%	
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$468,719,490	\$512,680,098	\$43,960,608	9.4%	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
DEAF-BLIND MULTIPLE DISABILITIES A.2.3	\$42,490,309	\$38,945,775	(\$3,544,534)	(8.3%)	
GENERAL REVENUE FUNDS	\$15,989,762	\$14,986,759	(\$1,003,003)	(6.3%)	
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$26,500,547	\$23,959,016	(\$2,541,531)	(9.6%)	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
TEXAS HOME LIVING WAIVER A.2.4	\$168,386,499	\$191,412,523	\$23,026,024	13.7%	
GENERAL REVENUE FUNDS	\$60,152,997	\$69,802,018	\$9,649,021	16.0%	
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$108,233,502	\$121,610,505	\$13,377,003	12.4%	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
ALL-INCLUSIVE CARE - ELDERLY (PACE) A.2.5	\$88,052,408	\$88,740,729	\$688,321	0.8%	
GENERAL REVENUE FUNDS	\$34,905,236	\$36,032,064	\$1,126,828	3.2%	
GR DEDICATED	\$0	\$0	\$0	0.0%	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
FEDERAL FUNDS	\$53,147,172	\$52,708,665	(\$438,507)	(0.8%)	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
Total, Goal A, MEDICAID CLIENT SERVICES	\$70,036,843,644	\$74,374,739,893	\$4,337,896,249	6.2%	Recommendations reflect the following: - an increase of \$925.9 million in General Revenue (\$0 in All Funds) primarily for less favorable FMAPs and other changes in federal program eligibility; - an increase of \$705.7 million in General Revenue (\$1,783.4 million in All Funds) to increase the base wage for personal attendant services to \$12.00 per hour; - an increase of \$477.4 million in General Revenue (\$1,500.8 million in All Funds) to reflect fiscal year 2025 per member per month increases; - an increase of \$214.4 million in General Revenue (\$533.9 million in All Funds) to increase the dietary subcomponent and the facility and operations subcomponent of the Medicaid reimbursement rate for nursing facilities; - an increase of \$208.5 million in General Revenue (\$506.1 million in All Funds) for LBB-staff projected caseload growth; and - an increase of \$5.5 million in General Revenue (\$13.6 million in All Funds) to increase the Medicaid reimbursement rate for maternal fetal medicine radiological services.
GENERAL REVENUE FUNDS	\$27,108,877,008	\$29,646,403,848	\$2,537,526,840	9.4%	
GR DEDICATED	\$124,687,060	\$124,687,060	\$0	0.0%	
FEDERAL FUNDS	\$42,166,934,401	\$43,963,632,063	\$1,796,697,662	4.3%	
OTHER FUNDS	\$636,345,175	\$640,016,922	\$3,671,747	0.6%	
MEDICAID & CHIP CONTRACTS & ADMIN B.1.1	\$1,820,271,701	\$1,545,891,121	(\$274,380,580)	(15.1%)	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
GENERAL REVENUE FUNDS	\$558,917,091	\$521,790,646	(\$37,126,445)	(6.6%)	Recommendations reflect the following: - an increase of \$16.6 million for select information technology projects (LAR Exceptional Items #2d, New Genesys Cost; #3f, IT Staff Augmentation Contractors; #4, Modernize Medicaid Enterprise Systems; #16, Client Led Service Planning in STAR+PLUS; #20g, Medicaid Legacy Mainframe Modernization); - an increase of \$1.4 million to maintain higher fiscal year 2025 costs for statewide salary adjustments; - an increase of \$0.5 million to maintain higher fiscal year 2025 costs for the Medicaid and CHIP provider data internet portal and to support new Medicaid waiver slot enrollments; - a decrease of \$22.3 million related to one-time funding appropriated in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, for information technology modernization projects and technology updates; - a decrease of \$22.1 million related to one-time projects funded by freed-up General Revenue made available as a result of the 10.0 percentage point increase in the FMAP for Home and Community-based Services (HCBS) included in the American Rescue Plan Act (ARPA); - a decrease of \$11.0 million related to one-time funding provided in the 2024-25 GAA for the nursing facility Patient Driven Payment Model (PDPM) conversion, to report on charity care and hospital transparency, and to make system upgrades to the Texas Medicaid and Health Partnership (TMHP) to report on the non-medical health-related needs of eligible pregnant women pursuant to House Bill 1575, Eighty-eighth Legislature, Regular Session, 2023; and - a decrease of \$0.3 million to maintain lower fiscal year 2025 costs for Medicaid and CHIP contract cost growth.
GR DEDICATED	\$0	\$0	\$0	0.0%	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
FEDERAL FUNDS	\$1,236,961,140	\$1,020,472,163	(\$216,488,977)	(17.5%)	Recommendations reflect the following: - an increase of \$73.1 million for select information technology projects (LAR Exceptional Items #2d, New Genesys Cost; #3f, IT Staff Augmentation Contractors; #4, Modernize Medicaid Enterprise Systems; #16, Client Led Service Planning in STAR+PLUS; #20g, Medicaid Legacy Mainframe Modernization); - an increase of \$1.7 million to maintain higher fiscal year 2025 costs for statewide salary adjustments; - an increase of \$1.5 million to maintain higher fiscal year 2025 costs for the Medicaid and CHIP provider data internet portal and to support new Medicaid waiver slot enrollments; - a decrease of \$149.7 million related to one-time funding appropriated in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023, for information technology modernization projects and technology updates; - a decrease of \$108.9 million based on HHSC-projected changes in federal reimbursement; - a decrease of \$22.1 million related to one-time projects funded by freed-up General Revenue made available as a result of the 10.0 percentage point increase in the FMAP for Home and Community-based Services (HCBS) included in the American Rescue Plan Act (ARPA); and - a decrease of \$12.1 million related to one-time funding provided in the 2024-25 GAA for the nursing facility Patient Driven Payment Model (PDPM) conversion and to make system upgrades to the Texas Medicaid and Health Partnership (TMHP) to report on the non-medical health-related needs of eligible pregnant women pursuant to House Bill 1575, Eighty-eighth Legislature, Regular Session, 2023.
OTHER FUNDS	\$24,393,470	\$3,628,312	(\$20,765,158)	(85.1%)	Recommendations reflect a decrease of estimated Medicaid Subrogation Receipts. Pursuant to the 2026-27 General Appropriations Bill, HHSC is authorized to collect and spend Medicaid Subrogation Receipts above appropriated levels.
Total, Goal B, MEDICAID & CHIP SUPPORT	\$1,820,271,701	\$1,545,891,121	(\$274,380,580)	(15.1%)	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
GENERAL REVENUE FUNDS	\$558,917,091	\$521,790,646	(\$37,126,445)	(6.6%)	
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$1,236,961,140	\$1,020,472,163	(\$216,488,977)	(17.5%)	
OTHER FUNDS	\$24,393,470	\$3,628,312	(\$20,765,158)	(85.1%)	
CHIP C.1.1	\$1,046,615,307	\$1,121,088,287	\$74,472,980	7.1%	Recommendations reflect the following: - an increase of \$16.9 million in General Revenue (\$59.6 million in All Funds) for LBB-staff projected caseload growth; - an increase of \$6.6 million in General Revenue (\$0 in All Funds) primarily for less favorable EFMAPs and other changes in federal program eligibility; and - an increase of \$4.2 million in General Revenue (\$14.9 million in All Funds) to reflect fiscal year 2025 per member per month increases.
GENERAL REVENUE FUNDS	\$290,895,985	\$318,643,397	\$27,747,412	9.5%	
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$755,719,322	\$802,444,890	\$46,725,568	6.2%	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
Total, Goal C, CHIP CLIENT SERVICES	\$1,046,615,307	\$1,121,088,287	\$74,472,980	7.1%	
GENERAL REVENUE FUNDS	\$290,895,985	\$318,643,397	\$27,747,412	9.5%	
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$755,719,322	\$802,444,890	\$46,725,568	6.2%	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
WOMEN'S HEALTH PROGRAMS D.1.1	\$264,288,064	\$299,081,750	\$34,793,686	13.2%	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
GENERAL REVENUE FUNDS	\$162,047,656	\$191,788,582	\$29,740,926	18.4%	Recommendations reflect the following: - an increase of \$17.7 million related to FPP grants, including \$10 million to expand Women's Preventive Mobile Health Unit services (LAR Exceptional Item #5b, Federal Cuts related to Women's and Children's Health Services); - an increase of \$5.8 million to maintain fiscal year 2025 estimated expenditures for the Family Planning Program (FPP); - an increase of \$3.4 million to account for caseload growth relative to population projections for Healthy Texas Women (HTW) 1115 Demonstration Waiver client services request; and - an increase of \$2.8 million to offset the anticipated reduction in federal awards.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$102,136,498	\$107,293,168	\$5,156,670	5.0%	Recommendations reflect the following: - an increase of \$5.3 million for HTW Plus services assuming the HTW 1115 Demonstration Waiver Amendment is approved; - an increase of \$2.8 million to partially fund caseload and cost growth based on HHSC's base request for HTW 1115 Demonstration Waiver client services; and - a decrease of \$2.9 million to align federal funds with expected awards for FPP and Breast and Cervical Cancer Services (BCCS).
OTHER FUNDS	\$103,910	\$0	(\$103,910)	(100.0%)	Recommendations reflect a decrease to align anticipated Appropriated Receipts collections for Women's Health program.
THRIVING TEXAS FAMILIES PROGRAM D.1.2	\$154,440,969	\$140,000,000	(\$14,440,969)	(9.4%)	
GENERAL REVENUE FUNDS	\$154,440,969	\$140,000,000	(\$14,440,969)	(9.4%)	Recommendations reflect a decrease of one-time funding provided for grants in the Thriving Texas Families program. The funds were appropriated in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$0	\$0	\$0	0.0%	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
ECI SERVICES D.1.3	\$376,585,146	\$409,935,364	\$33,350,218	8.9%	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
GENERAL REVENUE FUNDS	\$155,634,145	\$173,702,773	\$18,068,628	11.6%	Recommendations include an increase to maintain the 2024-25 appropriated average monthly cost per child with agency-forecasted caseload growth (LAR Exceptional Item #5a, Federal Cuts related to Women's and Children's Health Services).
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$187,902,869	\$203,184,459	\$15,281,590	8.1%	Recommendations reflect the following: - an increase of \$4.6 million in IDEA Part C federal funding; and - an increase of \$10.7 million to align federal funds with expected awards.
OTHER FUNDS	\$33,048,132	\$33,048,132	\$0	0.0%	
ECI RESPITE D.1.4	\$1,085,628	\$800,000	(\$285,628)	(26.3%)	
GENERAL REVENUE FUNDS	\$800,000	\$800,000	\$0	0.0%	
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$285,628	\$0	(\$285,628)	(100.0%)	Recommendations reflect a decrease associated with transferring the ECI Quality Assurance program to Strategy D.1.14, Primary Health And Specialty Care Administration.
OTHER FUNDS	\$0	\$0	\$0	0.0%	
CHILDREN'S BLINDNESS SERVICES D.1.5	\$11,916,182	\$12,056,217	\$140,035	1.2%	
GENERAL REVENUE FUNDS	\$9,885,325	\$10,019,367	\$134,042	1.4%	Recommendations reflect an increase to biennialize the statewide salary adjustments included in the 2024-25 appropriations.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$2,030,857	\$2,036,850	\$5,993	0.3%	Recommendations reflect the following: - an increase of \$78,653 to biennialize the statewide salary adjustments included in the 2024-25 appropriations; and - a decrease of \$72,660 to align Federal Funds with expected awards.
OTHER FUNDS	\$0	\$0	\$0	0.0%	
AUTISM PROGRAM D.1.6	\$13,663,084	\$13,663,084	\$0	0.0%	
GENERAL REVENUE FUNDS	\$13,663,084	\$13,663,084	\$0	0.0%	
GR DEDICATED	\$0	\$0	\$0	0.0%	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
FEDERAL FUNDS	\$0	\$0	\$0	0.0%	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
CHILDREN WITH SPECIAL NEEDS D.1.7	\$48,924,672	\$48,924,672	\$0	0.0%	
GENERAL REVENUE FUNDS	\$42,639,010	\$42,639,010	\$0	0.0%	
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$6,280,000	\$6,280,000	\$0	0.0%	
OTHER FUNDS	\$5,662	\$5,662	\$0	0.0%	
TITLE V DNTL & HLTH SVCS D.1.8	\$12,469,208	\$12,469,208	\$0	0.0%	
GENERAL REVENUE FUNDS	\$2,802,316	\$2,802,316	\$0	0.0%	
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$9,666,892	\$9,666,892	\$0	0.0%	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
KIDNEY HEALTH CARE D.1.9	\$30,685,544	\$30,684,044	(\$1,500)	(0.0%)	
GENERAL REVENUE FUNDS	\$27,653,624	\$27,653,624	\$0	0.0%	
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$0	\$0	\$0	0.0%	
OTHER FUNDS	\$3,031,920	\$3,030,420	(\$1,500)	(0.0%)	Recommendations reflect a decrease in estimated Appropriated Receipts.
ADDITIONAL SPECIALTY CARE D.1.10	\$36,915,553	\$40,915,553	\$4,000,000	10.8%	
GENERAL REVENUE FUNDS	\$36,915,553	\$40,915,553	\$4,000,000	10.8%	Recommendations reflect the following: -an increase of \$5.0 to fund mobile stroke units; and -a decrease of \$1.0 for one-time funding provided for Indigent and Low-Income Health. The funds were appropriated in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$0	\$0	\$0	0.0%	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
COMMUNITY PRIMARY CARE SERVICES D.1.11	\$23,824,816	\$23,824,816	\$0	0.0%	
GENERAL REVENUE FUNDS	\$23,824,816	\$23,824,816	\$0	0.0%	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$0	\$0	\$0	0.0%	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
ABSTINENCE EDUCATION D.1.12	\$12,753,520	\$12,000,000	(\$753,520)	(5.9%)	
GENERAL REVENUE FUNDS	\$0	\$0	\$0	0.0%	
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$12,753,520	\$12,000,000	(\$753,520)	(5.9%)	Recommendations reflect a decrease to align federal funds with expected awards.
OTHER FUNDS	\$0	\$0	\$0	0.0%	
PRESCRIPTION DRUG SAVINGS PROGRAM D.1.13	\$28,603,083	\$28,622,066	\$18,983	0.1%	
GENERAL REVENUE FUNDS	\$28,603,083	\$28,622,066	\$18,983	0.1%	Recommendations reflect an increase to biennialize the statewide salary adjustments included in the 2024-25 appropriations.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$0	\$0	\$0	0.0%	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
PRIMARY HEALTH & SPECIALTY CARE ADM D.1.14	\$60,517,152	\$56,844,152	(\$3,673,000)	(6.1%)	
GENERAL REVENUE FUNDS	\$43,817,348	\$42,281,110	(\$1,536,238)	(3.5%)	Recommendations reflect the following: - an increase of \$0.6 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations; - a decrease of \$1.4 million to remove costs that were designated as one-time in Article IX, Section 18.39, Contingency for Senate Bill 24, 2024-25 GAA; and - a decrease of \$0.8 million related to one-time funding for the Family Resource Website.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$16,615,850	\$14,479,088	(\$2,136,762)	(12.9%)	Recommendations reflect the following: - a decrease of \$1.1 million in federal funding provided for COVID-19 response; and - a decrease of \$1.1 million to align federal funds with expected awards.
OTHER FUNDS	\$83,954	\$83,954	\$0	0.0%	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
COMMUNITY MENTAL HEALTH SERVICES D.2.1	\$1,489,762,482	\$1,411,978,136	(\$77,784,346)	(5.2%)	
GENERAL REVENUE FUNDS	\$1,139,824,104	\$1,203,270,652	\$63,446,548	5.6%	Recommendations reflect the following: - an increase of \$40.0 million for youth mobile crisis outreach teams; - an increase of \$12.0 million due to the transfer of crisis stabilization unit and extended observation unit funding from Strategy G.2.2, Community Mental Health Hospitals, to Strategy D.2.1, Community Mental Health Services. Recommendations for 2026-27 appropriate all crisis facility funding in Strategy D.2.1, Community Mental Health Services; - an increase of \$9.0 million for crisis services provided by the local mental health authority that serves Galveston county; and - an increase of \$2.5 million to maintain fiscal year 2024 appropriations for the crisis stabilization facility at the LMHA that serves Montgomery, Walker, and Liberty counties in each fiscal year of the 2026-27 biennium.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$348,991,336	\$207,935,342	(\$141,055,994)	(40.4%)	Recommendations reflect the following: - a decrease of \$112.0 million in federal funding provided for COVID-19 response; and - a decrease of \$29.0 million to align federal funds with expected awards.
OTHER FUNDS	\$947,042	\$772,142	(\$174,900)	(18.5%)	Recommendations reflect a decrease of \$0.2 million to align funds with anticipated collections for the Transformation Transfer Initiative (TTI) grant.
SUBSTANCE USE SERVICES D.2.2	\$710,712,866	\$500,073,164	(\$210,639,702)	(29.6%)	
GENERAL REVENUE FUNDS	\$98,174,720	\$98,174,720	\$0	0.0%	
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$612,122,832	\$401,483,130	(\$210,639,702)	(34.4%)	Recommendations reflect the following: - a decrease of \$166.1 million in federal funding provided for COVID-19 response; and - a decrease of \$44.5 million to align federal funds with expected awards.
OTHER FUNDS	\$415,314	\$415,314	\$0	0.0%	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
BEHAVIORAL HLTH WAIVER & AMENDMENT D.2.3	\$75,511,700	\$77,337,941	\$1,826,241	2.4%	
GENERAL REVENUE FUNDS	\$39,432,818	\$39,909,561	\$476,743	1.2%	Recommendations reflect the following: - an increase of \$1.1 million to increase the base wage for personal attendant services; - a net increase of \$0.3 million for LBB staff-projected HCBS-AMH caseload growth, partially offset by a decrease in the LBB staff-projected average monthly cost per client; - an increase of \$0.2 million for less favorable FMAPs for client service activities, including the loss of the 6.2 percentage point increase pursuant to the federal Families First Coronavirus Response Act (FFCRA); - a decrease of \$1.0 million in freed-up General Revenue made available as a result of the 10.0 percentage point increase in the FMAP for HCBS included in the federal American Rescue Plan Act of 2021. HHSC transferred the funds into the strategy for evaluation of the HCBS-AMH program and to support providers through technology, recruitment efforts, and training; and - a decrease of \$0.1 million for less favorable FMAPs for non-client service activities. For the YES Waiver, LBB staff-projected increases of \$0.1 million in the average monthly cost per client are offset by an equal reduction LBB-staff projected YES Waiver caseload declines.
GR DEDICATED	\$0	\$0	\$0	0.0%	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
FEDERAL FUNDS	\$36,078,882	\$37,428,380	\$1,349,498	3.7%	Recommendations reflect the following: - an increase of \$1.7 million to increase the base wage for personal attendant services; - a net increase of \$0.3 million for LBB staff-projected HCBS-AMH caseload growth, partially offset by a decrease in the LBB staff-projected average monthly cost per client; - a decrease of \$0.2 million in Federal Funds made available as a result of the 10.0 percentage point increase in the FMAP for HCBS included in the federal American Rescue Plan Act of 2021. HHSC transferred the funds into the strategy for evaluation of the HCBS-AMH program and to support providers through technology, recruitment efforts, and training; - a decrease of \$0.2 million for less favorable FMAPs for client service activities, including the loss of the 6.2 percentage point increase pursuant to the federal Families First Coronavirus Response Act (FFCRA); - a net decrease of \$0.1 million for LBB staff-projected YES waiver caseload declines, partially offset by increases in the LBB-staff projected average monthly cost per client; and - a decrease of \$0.1 million for less favorable FMAPs for non-client service activities.
OTHER FUNDS	\$0	\$0	\$0	0.0%	
COMMUNITY MENTAL HEALTH GRANT PGMS D.2.4	\$346,377,256	\$230,524,266	(\$115,852,990)	(33.4%)	
GENERAL REVENUE FUNDS	\$346,377,256	\$230,524,266	(\$115,852,990)	(33.4%)	Recommendations reflect a decrease of \$115.9 million in one-time funding, including the following: - a decrease of \$100.0 million for a one-time community mental health program for county-based collaboratives to construct jail diversion facilities, step-down facilities, permanent supportive housing, crisis stabilization units, and crisis respite units; and - a decrease of \$15.9 million for a one-time children's hospitals construction grant program to construct inpatient mental health beds for children. The funds were originally appropriated in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023.

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$0	\$0	\$0	0.0%	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
COMMUNITY BEHAVIORAL HEALTH ADM D.2.5	\$148,932,999	\$148,942,752	\$9,753	0.0%	
GENERAL REVENUE FUNDS	\$71,423,137	\$72,186,487	\$763,350	1.1%	Recommendations reflect the following: - an increase of \$1.9 million in ongoing operations related to the grant management system funded in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; - an increase of \$1.7 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations; and - a net decrease of \$2.8 million related to the public reporting system of performance and outcome measures to compare local mental health and behavioral health authorities (LMHAs/LBHAs) and local intellectual and developmental disability authorities (LIDDAs) authorized by Senate Bill 26, Eighty-eighth Legislature, Regular Session, 2023. The decrease represents a decrease of \$9.0 million in one-time information technology costs partially offset by an increase of \$6.2 million in ongoing operations and additional resources.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$56,969,023	\$52,044,149	(\$4,924,874)	(8.6%)	Recommendations reflect the following: - a decrease of \$3.2 million in federal funding provided for COVID-19 response; - a net decrease of \$1.7 million related to the public reporting system of performance and outcome measures to compare LMHAs/LBHAs and LIDDAs authorized by Senate Bill 26, Eighty-eighth Legislature, Regular Session, 2023. The decrease represents a decrease of \$2.8 million in one-time information technology costs partially offset by an increase of \$1.0 million in ongoing operations and additional resources; and - a decrease of under \$0.1 million to align federal funds with expected awards.

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
OTHER FUNDS	\$20,540,839	\$24,712,116	\$4,171,277	20.3%	Recommendations primarily reflect an increase of \$4.2 million in interagency contracts with DSHS related to an increased provision of information technology services.
INDIGENT HEALTH CARE REIMBURSEMENT D.3.1	\$878,886	\$878,886	\$0	0.0%	
GENERAL REVENUE FUNDS	\$0	\$0	\$0	0.0%	
GR DEDICATED	\$878,886	\$878,886	\$0	0.0%	
FEDERAL FUNDS	\$0	\$0	\$0	0.0%	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
COUNTY INDIGENT HEALTH CARE SVCS D.3.2	\$1,291,509	\$1,285,592	(\$5,917)	(0.5%)	
GENERAL REVENUE FUNDS	\$1,073,521	\$1,079,478	\$5,957	0.6%	Recommendations reflect an increase to biennialize the statewide salary adjustments included in the 2024-25 appropriations.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$103,823	\$106,114	\$2,291	2.2%	Recommendations reflect an increase to biennialize the statewide salary adjustments included in the 2024-25 appropriations.
OTHER FUNDS	\$114,165	\$100,000	(\$14,165)	(12.4%)	Recommendations reflect a decrease to align anticipated collections in Appropriated Receipts.
Total, Goal D, ADDITIONAL HEALTH-RELATED SERVICES	\$3,850,140,319	\$3,500,841,663	(\$349,298,656)	(9.1%)	
GENERAL REVENUE FUNDS	\$2,399,032,485	\$2,383,857,465	(\$15,175,020)	(0.6%)	
GR DEDICATED	\$878,886	\$878,886	\$0	0.0%	
FEDERAL FUNDS	\$1,391,938,010	\$1,053,937,572	(\$338,000,438)	(24.3%)	
OTHER FUNDS	\$58,290,938	\$62,167,740	\$3,876,802	6.7%	
TANF (CASH ASSISTANCE) GRANTS E.1.1	\$45,233,851	\$48,873,745	\$3,639,894	8.0%	
GENERAL REVENUE FUNDS	\$43,029,389	\$45,877,571	\$2,848,182	6.6%	Recommendations reflect an increase associated with forecasted expenditures based on a slight expected caseload increase and by an expected increases in grant per recipient.
GR DEDICATED	\$0	\$0	\$0	0.0%	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
FEDERAL FUNDS	\$2,204,462	\$2,996,174	\$791,712	35.9%	Recommendations reflect an increase in General Revenue associated with forecasted expenditures based on a slight expected caseload increase and by an expected increases in grant per recipient.
OTHER FUNDS	\$0	\$0	\$0	0.0%	
PROVIDE WIC SERVICES E.1.2	\$1,921,102,639	\$2,542,940,589	\$621,837,950	32.4%	
GENERAL REVENUE FUNDS	\$51,036	\$51,036	\$0	0.0%	
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$1,395,033,581	\$1,962,889,553	\$567,855,972	40.7%	Recommendations reflect the following: - an increase of \$596.6 million to align federal funds with expected awards; - an increase of \$0.7 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations; and - a decrease of \$29.5 million in federal funding provided for COVID-19 response.
OTHER FUNDS	\$526,018,022	\$580,000,000	\$53,981,978	10.3%	Recommendations reflect an increase to align funds with anticipated collections for infant formula manufacturer rebates.
DISASTER ASSISTANCE E.1.3	\$918,220,664	\$0	(\$918,220,664)	(100.0%)	
GENERAL REVENUE FUNDS	\$223,666,667	\$0	(\$223,666,667)	(100.0%)	Recommendations reflect a decrease due to the one-time nature of this funding, which was used to respond to various emergencies.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$694,553,997	\$0	(\$694,553,997)	(100.0%)	Recommendations reflect a decrease due to the one-time nature of this funding, which was used to respond to various emergencies.
OTHER FUNDS	\$0	\$0	\$0	0.0%	
Total, Goal E, ENCOURAGE SELF-SUFFICIENCY	\$2,884,557,154	\$2,591,814,334	(\$292,742,820)	(10.1%)	
GENERAL REVENUE FUNDS	\$266,747,092	\$45,928,607	(\$220,818,485)	(82.8%)	
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$2,091,792,040	\$1,965,885,727	(\$125,906,313)	(6.0%)	
OTHER FUNDS	\$526,018,022	\$580,000,000	\$53,981,978	10.3%	
GUARDIANSHIP F.1.1	\$24,842,799	\$20,255,574	(\$4,587,225)	(18.5%)	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
GENERAL REVENUE FUNDS	\$10,394,895	\$5,807,670	(\$4,587,225)	(44.1%)	Recommendations reflect the following: - an increase of \$0.4 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations; and - a decrease of \$5.0 million in freed-up General Revenue made available as a result of the 10.0 percentage point increase in the FMAP for HCBS included in the federal American Rescue Plan Act of 2021. HHSC transferred the funds into the strategy to upgrade the guardianship case management system.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$14,447,904	\$14,447,904	\$0	0.0%	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
NON-MEDICAID SERVICES F.1.2	\$380,628,093	\$410,675,692	\$30,047,599	7.9%	
GENERAL REVENUE FUNDS	\$75,524,068	\$125,108,134	\$49,584,066	65.7%	Recommendations reflect the following: - an increase of \$49.3 million to increase the base wage for personal attendant services; and - an increase of \$0.3 million to maintain higher fiscal year 2025 appropriations for attendant wages and rate enhancement programs.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$305,104,025	\$285,567,558	(\$19,536,467)	(6.4%)	Recommendations reflect a decrease of \$19.5 million in federal funding provided for COVID-19 response.
OTHER FUNDS	\$0	\$0	\$0	0.0%	
NON-MEDICAID IDD COMMUNITY SVCS F.1.3	\$101,579,070	\$101,579,070	\$0	0.0%	
GENERAL REVENUE FUNDS	\$101,573,070	\$101,573,070	\$0	0.0%	
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$0	\$0	\$0	0.0%	
OTHER FUNDS	\$6,000	\$6,000	\$0	0.0%	
INDEPENDENT LIVING SERVICES F.2.1	\$29,432,917	\$29,441,138	\$8,221	0.0%	
GENERAL REVENUE FUNDS	\$9,100,297	\$9,184,058	\$83,761	0.9%	Recommendations reflect an increase to biennialize the statewide salary adjustments included in the 2024-25 appropriations.
GR DEDICATED	\$0	\$0	\$0	0.0%	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
FEDERAL FUNDS	\$3,175,542	\$3,100,002	(\$75,540)	(2.4%)	Recommendations reflect a decrease to align federal funds with expected awards.
OTHER FUNDS	\$17,157,078	\$17,157,078	\$0	0.0%	
BEST PROGRAM F.2.2	\$975,448	\$880,598	(\$94,850)	(9.7%)	
GENERAL REVENUE FUNDS	\$975,448	\$880,598	(\$94,850)	(9.7%)	Recommendations reflect the following: - an increase of \$5,150 to biennialize the statewide salary adjustments included in the 2024-25 appropriations; and - a decrease of \$0.1 million related to unexpended balance authority from fiscal year 2023 pursuant to Article II, HHSC Rider 118, Appropriation of Donations: Blindness Education Screening and Treatment, GAA, Eighty-eighth Legislature, Regular Session, 2023.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$0	\$0	\$0	0.0%	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
COMPREHENSIVE REHABILITATION (CRS) F.2.3	\$47,083,154	\$47,170,821	\$87,667	0.2%	
GENERAL REVENUE FUNDS	\$47,073,154	\$47,160,821	\$87,667	0.2%	Recommendations reflect an increase to biennialize the statewide salary adjustments included in the 2024-25 appropriations.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$0	\$0	\$0	0.0%	
OTHER FUNDS	\$10,000	\$10,000	\$0	0.0%	
DEAF AND HARD OF HEARING SERVICES F.2.4	\$8,515,578	\$8,555,350	\$39,772	0.5%	
GENERAL REVENUE FUNDS	\$5,758,717	\$5,827,374	\$68,657	1.2%	Recommendations reflect an increase to biennialize the statewide salary adjustments included in the 2024-25 appropriations.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$0	\$0	\$0	0.0%	
OTHER FUNDS	\$2,756,861	\$2,727,976	(\$28,885)	(1.0%)	Recommendations reflect a decrease to align funds with anticipated collections in Appropriated Receipts.

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
FAMILY VIOLENCE SERVICES F.3.1	\$124,935,888	\$93,932,262	(\$31,003,626)	(24.8%)	
GENERAL REVENUE FUNDS	\$37,564,100	\$37,608,966	\$44,866	0.1%	Recommendations reflect an increase to biennialize the statewide salary adjustments included in the 2024-25 appropriations.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$87,194,392	\$56,263,296	(\$30,931,096)	(35.5%)	Recommendations reflect the following: - a decrease of \$30.6 million in federal funding provided for COVID-19 response; and - a decrease of \$0.3 million to align federal funds with expected awards.
OTHER FUNDS	\$177,396	\$60,000	(\$117,396)	(66.2%)	Recommendations reflect a decrease to align funds with anticipated collections from State Employee Charitable Campaign (SECC) Human Trafficking.
CHILD ADVOCACY PROGRAMS F.3.2	\$115,484,198	\$115,479,794	(\$4,404)	(0.0%)	
GENERAL REVENUE FUNDS	\$91,556,668	\$91,556,668	\$0	0.0%	
GR DEDICATED	\$10,000,000	\$10,000,000	\$0	0.0%	
FEDERAL FUNDS	\$13,896,126	\$13,896,126	\$0	0.0%	
OTHER FUNDS	\$31,404	\$27,000	(\$4,404)	(14.0%)	Recommendations reflect a decrease to align funds with anticipated collections of License Plate revenue.
ADDITIONAL ADVOCACY PROGRAMS F.3.3	\$51,292,239	\$51,314,907	\$22,668	0.0%	
GENERAL REVENUE FUNDS	\$50,813,155	\$50,835,823	\$22,668	0.0%	Recommendations reflect an increase to biennialize the statewide salary adjustments included in the 2024-25 appropriations.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$479,084	\$479,084	\$0	0.0%	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
Total, Goal F, COMMUNITY & IL SVCS & COORDINATION	\$884,769,384	\$879,285,206	(\$5,484,178)	(0.6%)	
GENERAL REVENUE FUNDS	\$430,333,572	\$475,543,182	\$45,209,610	10.5%	
GR DEDICATED	\$10,000,000	\$10,000,000	\$0	0.0%	
FEDERAL FUNDS	\$424,297,073	\$373,753,970	(\$50,543,103)	(11.9%)	
OTHER FUNDS	\$20,138,739	\$19,988,054	(\$150,685)	(0.7%)	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
STATE SUPPORTED LIVING CENTERS G.1.1	\$1,921,769,674	\$2,008,366,296	\$86,596,622	4.5%	
GENERAL REVENUE FUNDS	\$827,044,186	\$831,794,120	\$4,749,934	0.6%	Recommendations reflect the following: - an increase of \$13.8 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations; and - a decrease of \$9.0 million to remove facility inflationary costs that were designated as one-time in HHSC Rider 108, One-time Funding for Facility Inflationary Costs, 2024-25 GAA.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$1,045,573,954	\$1,127,420,642	\$81,846,688	7.8%	Recommendations reflect the following: - an increase of \$58.3 million related to agency-projected changes in federal funds; and - an increase of \$23.5 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations.
OTHER FUNDS	\$49,151,534	\$49,151,534	\$0	0.0%	
MENTAL HEALTH STATE HOSPITALS G.2.1	\$1,362,194,637	\$1,547,197,798	\$185,003,161	13.6%	
GENERAL REVENUE FUNDS	\$1,325,304,333	\$1,510,307,494	\$185,003,161	14.0%	Recommendations reflect the following: - an increase of \$165.9 million and 630.6/1,964.8 FTEs to biennialize operational support for new state hospital capacity in fiscal year 2025; - an increase of \$24.6 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations, including salary adjustment funding transferred from Strategy G.2.2, Community Mental Health Hospitals; and - a decrease of \$5.5 million to remove facility inflationary costs that were designated as one-time in HHSC Rider 108, One-time Funding for Facility Inflationary Costs, 2024-25 GAA.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$9,985,498	\$9,985,498	\$0	0.0%	
OTHER FUNDS	\$26,904,806	\$26,904,806	\$0	0.0%	
MENTAL HEALTH COMMUNITY HOSPITALS G.2.2	\$734,646,941	\$701,561,836	(\$33,085,105)	(4.5%)	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
GENERAL REVENUE FUNDS	\$719,956,813	\$701,561,836	(\$18,394,977)	(2.6%)	Recommendations reflect the following: - a decrease of \$12.0 million due to the transfer of crisis stabilization unit and extended observation unit funding from Strategy G.2.2, Community Mental Health Hospitals, to Strategy D.2.1, Community Mental Health Services. Recommendations for 2026-27 appropriate all crisis facility funding in Strategy D.2.1, Community Mental Health Services; - a decrease of \$6.0 million related to a one-time project to establish an integrated care clinic with an acute care hospital in Jefferson County; - a decrease of \$0.4 million to remove facility inflationary costs that were designated as one-time in HHSC Rider 108, One-time Funding for Facility Inflationary Costs, 2024-25 GAA; and - a decrease of under \$0.1 million to transfer salary adjustment funding to Strategy G.2.1, Mental Health State Hospitals.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$14,690,128	\$0	(\$14,690,128)	(100.0%)	Recommendations reflect a decrease of one-time funding provided for expansion of Sunrise Canyon Hospital. The funds were originally appropriated in Senate Bill 8, Eighty-seventh Legislature, Third-called Session, 2021.
OTHER FUNDS	\$0	\$0	\$0	0.0%	
OTHER FACILITIES G.3.1	\$12,808,119	\$13,096,454	\$288,335	2.3%	
GENERAL REVENUE FUNDS	\$9,597,355	\$9,793,264	\$195,909	2.0%	Recommendations reflect an increase of \$0.2 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$2,413,056	\$2,505,482	\$92,426	3.8%	Recommendations reflect the following: - an increase of under \$0.1 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations; and - an increase of under \$0.1 million to align federal funds with agency-projected client services.
OTHER FUNDS	\$797,708	\$797,708	\$0	0.0%	
FACILITY PROGRAM SUPPORT G.4.1	\$39,595,552	\$29,473,119	(\$10,122,433)	(25.6%)	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
GENERAL REVENUE FUNDS	\$28,387,435	\$18,497,904	(\$9,889,531)	(34.8%)	Recommendations reflect the following: - an increase of \$0.3 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations; and - a decrease of \$10.2 million for one-time funding provided for fleet replacement. The funds were originally appropriated in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021, and Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$10,924,843	\$10,607,707	(\$317,136)	(2.9%)	Recommendations reflect the following: - an increase of \$0.2 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations; and - a decrease of \$0.5 million to align federal funds with expected awards.
OTHER FUNDS	\$283,274	\$367,508	\$84,234	29.7%	Recommendations reflect an increase of \$0.1 million to align interagency contracts with expected collections.
FACILITY CAPITAL REPAIRS & RENOV G.4.2	\$2,175,342,976	\$136,042,013	(\$2,039,300,963)	(93.7%)	
GENERAL REVENUE FUNDS	\$2,017,650,967	\$135,462,409	(\$1,882,188,558)	(93.3%)	Recommendations reflect the following: - an increase of \$98.0 million to increase the base funding level for deferred maintenance at the SSLCs and state mental health hospitals; - an increase of \$0.7 million associated with the Texas Public Finance Authority (TPFA) estimates for Master Lease Purchase Program (MLPP) lease payment requirements for renovations at the SSLCs and state mental health hospitals; - a decrease of \$1,973.4 million in one-time funding provided for new construction, deferred maintenance, and emergency repairs at the SSLCs and state mental health hospitals, including construction grant programs awarded to other recipients. The funds were originally appropriated in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and - a decrease of \$7.5 million in one-time funding provided for increased construction costs at the new maximum security unit in Lubbock.
GR DEDICATED	\$579,604	\$579,604	\$0	0.0%	
FEDERAL FUNDS	\$0	\$0	\$0	0.0%	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
OTHER FUNDS	\$157,112,405	\$0	(\$157,112,405)	(100.0%)	Recommendations reflect the following: - a decrease of \$136.0 million in one-time donations provided to finish construction of the children's unit at the new Texas Behavioral Health Center in Dallas; - a decrease of \$12.6 million in appropriations from the Economic Stabilization Fund (ESF) and MLPP Revenue Bond Proceeds provided for new construction projects at the state mental health hospitals and state-funded inpatient mental health facilities or deferred maintenance. The funds were originally appropriated in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021; - a decrease of \$5.5 million in other MLPP Revenue Bond Proceeds for deferred maintenance at the SSLCs and state mental health hospitals that was transferred across biennia pursuant to the 2024-25 GAA; and - a decrease of \$3.0 million in Interagency Contracts related to the State Energy Conservation Office.
Total, Goal G, FACILITIES	\$6,246,357,899	\$4,435,737,516	(\$1,810,620,383)	(29.0%)	
GENERAL REVENUE FUNDS	\$4,927,941,089	\$3,207,417,027	(\$1,720,524,062)	(34.9%)	
GR DEDICATED	\$579,604	\$579,604	\$0	0.0%	
FEDERAL FUNDS	\$1,083,587,479	\$1,150,519,329	\$66,931,850	6.2%	
OTHER FUNDS	\$234,249,727	\$77,221,556	(\$157,028,171)	(67.0%)	
FACILITY/COMMUNITY-BASED REGULATION H.1.1	\$307,491,790	\$315,519,221	\$8,027,431	2.6%	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
GENERAL REVENUE FUNDS	\$112,844,409	\$127,359,189	\$14,514,780	12.9%	Recommendations reflect the following: - an increase of \$10.9 million for select information technology projects related to LAR Exceptional Item #10(g), Protecting Vulnerable Adults and Children from Abuse, Neglect and Exploitation; - an increase \$4.8 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations; - an increase of \$0.3 million related to House Bill 4696, Eighty-eighth Legislature, Regular Session, 2023; - an increase of \$0.2 million to offset the base allotment for General Revenue Fund-Dedicated Account No. 5018 shortfall (see Section 3, Fiscal and Policy Issues); - an increase of \$0.1 million related to LAR Exceptional Item 3(i); Restore funding for mandated functions in Community Based Regulation; - a decrease of \$1.2 million of one-time funding related to HCBS 10% Enhanced FMAP Freed-up General Revenue; and - a decrease of \$0.6 million related to House Bill 1890, Eighty-eighth Legislature, Regular Session, 2023.
GR DEDICATED	\$22,131,031	\$22,428,378	\$297,347	1.3%	Recommendations reflect an increase to biennialize the statewide salary adjustments included in the 2024-25 appropriations.
FEDERAL FUNDS	\$139,993,892	\$144,531,401	\$4,537,509	3.2%	Recommendations reflect the following: - a net increase of \$4.0 million to align federal funds with expected awards; - an increase of \$1.1 million for select information technology projects related to LAR Exceptional Item #10(g), Protecting Vulnerable Adults and Children from Abuse, Neglect and Exploitation; - an increase \$0.4 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations; - an increase of \$0.1 million related to LAR Exceptional Item 3(i); Restore funding for mandated functions in Community Based Regulation; and - a decrease of \$1.1 million in federal funding provided for COVID-19 response.

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
OTHER FUNDS	\$32,522,458	\$21,200,253	(\$11,322,205)	(34.8%)	Recommendations reflect the following: - an increase of \$0.6 million related to House Bill 1890, Eighty-eighth Legislature, Regular Session, 2023; - an increase of \$23,903 to biennialize the statewide salary adjustments included in the 2024-25 appropriations; - a decrease of \$6.2 million to align funds with anticipated collections for the Civil Monetary Damages and Penalties program; and - a decrease of \$5.7 million in IAC due to the end of the Strike Force contract with DSHS (ended July 2024).
CHILD CARE REGULATION H.2.1	\$136,893,063	\$136,499,339	(\$393,724)	(0.3%)	
GENERAL REVENUE FUNDS	\$97,961,702	\$97,546,597	(\$415,105)	(0.4%)	Recommendations reflect the following: - an increase of \$3.8 million for select information technology projects related to LAR Exceptional Item #9(a), Compliance with State Initiatives; - an increase of \$2.5 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations; - a decrease of \$4.7 million in one-time funding provided for enhancements in Child Care Licensing Automated Support Systems (CLASS). The funds were appropriated in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; - a decrease of \$1.0 million in one-time funding provided for independent assessment of the Health and Human Services Commission's and the Department of Family and Protective Services' rules, minimum standards, and contract requirements that apply to certain residential child-care providers; and - a decrease of \$1.0 million in one-time funding provided for the implementation of Ellie's Law. The funds were appropriated in GAA, Article II, HHSC Rider 155, Eighty-eighth Legislature, Regular Session, 2023.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$33,542,393	\$38,294,170	\$4,751,777	14.2%	Recommendations reflect an increase to offset the IAC reduction for the Child Care Development Fund Navigator Texas Workforce Commission IAC.

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
OTHER FUNDS	\$5,388,968	\$658,572	(\$4,730,396)	(87.8%)	Recommendations reflect a decrease to offset the Federal Funds (Child Care Development Block Grant) increase for the Child Care Development Fund Navigator Texas Workforce Commission IAC.
HEALTH CARE PROFESSIONALS & OTHER H.3.1	\$7,113,693	\$7,287,828	\$174,135	2.4%	
GENERAL REVENUE FUNDS	\$5,875,170	\$6,014,597	\$139,427	2.4%	Recommendations reflect an increase to biennialize the statewide salary adjustments included in the 2024-25 appropriations.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$1,238,523	\$1,273,231	\$34,708	2.8%	Recommendations reflect an increase to align federal funds with expected awards.
OTHER FUNDS	\$0	\$0	\$0	0.0%	
TEXAS.GOV H.4.1	\$87,422	\$87,422	\$0	0.0%	
GENERAL REVENUE FUNDS	\$71,362	\$71,362	\$0	0.0%	
GR DEDICATED	\$10,500	\$10,500	\$0	0.0%	
FEDERAL FUNDS	\$0	\$0	\$0	0.0%	
OTHER FUNDS	\$5,560	\$5,560	\$0	0.0%	
Total, Goal H, REGULATORY SERVICES	\$451,585,968	\$459,393,810	\$7,807,842	1.7%	
GENERAL REVENUE FUNDS	\$216,752,643	\$230,991,745	\$14,239,102	6.6%	
GR DEDICATED	\$22,141,531	\$22,438,878	\$297,347	1.3%	
FEDERAL FUNDS	\$174,774,808	\$184,098,802	\$9,323,994	5.3%	
OTHER FUNDS	\$37,916,986	\$21,864,385	(\$16,052,601)	(42.3%)	
INTEGRATED ELIGIBILITY & ENROLLMENT I.1.1	\$1,790,312,752	\$1,804,744,511	\$14,431,759	0.8%	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
GENERAL REVENUE FUNDS	\$618,183,499	\$612,164,912	(\$6,018,587)	(1.0%)	Recommendations reflect the following: - a net increase of \$20.4 million for eligibility-related functions, including to maintain higher fiscal year 2025 levels for HHSC eligibility staff and the Eligibility Support Services (ESS) contract, and to address agency-projected increases to access the Centers for Medicare & Medicaid Services (CMS) data hub; - an increase of \$8.9 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations; - an increase of \$2.0 million for select information technology projects (LAR Exceptional Item #2d, New Genesys Cost); and - a decrease of \$37.9 million in one-time funding provided for the unwinding of continuous Medicaid Coverage pursuant to HHSC Rider 27, Funding for the Unwinding of Continuous Medicaid Coverage, 2024-25 GAA.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$1,161,224,879	\$1,172,955,119	\$11,730,240	1.0%	Recommendations reflect the following: - a net increase of \$201.1 million for eligibility-related functions, including to maintain higher fiscal year 2025 levels for HHSC eligibility staff and the Eligibility Support Services (ESS) contract, and to address agency-projected increases to access the CMS data hub; - an increase of \$9.3 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations; - an increase of \$3.6 million for select information technology projects (LAR Exceptional Item #2d, New Genesys Cost); - a decrease of \$125.4 million to align federal funds with expected awards; - a decrease of \$75.4 million in one-time funding provided for the unwinding of continuous Medicaid Coverage pursuant to HHSC Rider 27, Funding for the Unwinding of Continuous Medicaid Coverage, 2024-25 GAA; and - a decrease of \$2.5 million in federal funding provided for COVID-19 response.

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
OTHER FUNDS	\$10,904,374	\$19,624,480	\$8,720,106	80.0%	Recommendations reflect an increase of \$8.7 million to align funds with anticipated collections in Appropriated Receipts.
COMMUNITY SERVICES ADMIN & ACCESS I.2.1	\$555,791,769	\$551,728,173	(\$4,063,596)	(0.7%)	
GENERAL REVENUE FUNDS	\$262,011,767	\$255,550,654	(\$6,461,113)	(2.5%)	Recommendations reflect the following: - an increase of \$2.5 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations; - an increase of \$1.4 million for select information technology projects (LAR Exceptional Items #4, Modernize Medicaid Enterprise Systems, and #16, Client Led Service Planning in STAR+PLUS); - an increase of \$0.7 million to maintain higher fiscal year 2025 costs to support new Medicaid waiver slot enrollments; and - a decrease of \$11.1 million in freed-up General Revenue made available as a result of the 10.0 percentage point increase in the FMAP for HCBS included in the federal American Rescue Plan Act of 2021.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$291,860,002	\$294,257,519	\$2,397,517	0.8%	Recommendations reflect the following: - an increase of \$12.9 million to align federal funds with expected awards; - an increase of \$1.4 million for select information technology projects (LAR Exceptional Items #4, Modernize Medicaid Enterprise Systems, and #16, Client Led Service Planning in STAR+PLUS); - an increase of \$1.1 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations; - an increase of \$0.5 million to maintain higher fiscal year 2025 costs to support new Medicaid waiver slot enrollments; and - a decrease of \$13.5 million in federal funding provided for COVID-19 response.
OTHER FUNDS	\$1,920,000	\$1,920,000	\$0	0.0%	
TIERS & ELIGIBILITY SUPPORT TECH I.3.1	\$239,835,586	\$235,589,168	(\$4,246,418)	(1.8%)	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
GENERAL REVENUE FUNDS	\$94,182,579	\$86,188,241	(\$7,994,338)	(8.5%)	Recommendations reflect the following: - an increase of \$1.4 million for select information technology projects (LAR Exceptional Item #2d, New Genesys Cost); - an increase of \$0.5 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations; and - a net decrease of \$10.0 million to address changes for the Texas Integrated Eligibility Redesign System (TIERS) project related to the end of continuous Medicaid coverage and federal timeliness standards. This includes an increase of \$0.6 million for improvements to TIERS to reduce service times for staff to accurately complete eligibility tasks and maintain operational effectiveness, offset by a decrease of \$10.5 million in assumed one-time funding approved in the 2024-25 biennium related to coding updates required for TIERS.
GR DEDICATED FEDERAL FUNDS	\$0 \$143,879,979	\$0 \$147,561,003	\$0 \$3,681,024	0.0% 2.6%	Recommendations reflect the following: - an increase of \$2.6 million for select information technology projects (LAR Exceptional Item #2d, New Genesys Cost); - an increase of \$0.9 million for improvements to TIERS related to the end of continuous Medicaid coverage and federal timeliness standards; - an increase of \$0.7 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations; and - a decrease of \$0.5 million to align federal funds with expected awards.
OTHER FUNDS	\$1,773,028	\$1,839,924	\$66,896	3.8%	Recommendations reflect an increase of \$0.1 million to align interagency contracts with anticipated collections.
TIERS CAPITAL PROJECTS I.3.2	\$139,669,638	\$246,303,499	\$106,633,861	76.3%	
GENERAL REVENUE FUNDS	\$47,129,223	\$84,315,412	\$37,186,189	78.9%	Recommendations reflect the following: - an increase of \$25.3 million for improvements to TIERS related to the end of continuous Medicaid coverage and federal timeliness standards; - an increase of \$11.8 million for select information technology projects (LAR Exceptional Item #23a, TIERS Cloud Migration [Phase II]); and - a net increase of \$0.1 million related to higher biennial costs for TIERS learning environment and eligibility workload management systems.
GR DEDICATED	\$0	\$0	\$0	0.0%	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
FEDERAL FUNDS	\$92,540,415	\$161,988,087	\$69,447,672	75.0%	Recommendations reflect the following: - an increase of \$37.2 million for improvements to TIERS related to the end of continuous Medicaid coverage and federal timeliness standards; - an increase of \$28.2 million for select information technology projects (LAR Exceptional Item #23a, TIERS Cloud Migration [Phase II]); - an increase of \$3.6 million to align federal funds with expected awards; and - an increase of \$0.4 million related to higher biennial costs for TIERS learning environment and eligibility workload management systems.
OTHER FUNDS	\$0	\$0	\$0	0.0%	
Total, Goal I, PGM ELG DETERMINATION & ENROLLMENT	\$2,725,609,745	\$2,838,365,351	\$112,755,606	4.1%	
GENERAL REVENUE FUNDS	\$1,021,507,068	\$1,038,219,219	\$16,712,151	1.6%	
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$1,689,505,275	\$1,776,761,728	\$87,256,453	5.2%	
OTHER FUNDS	\$14,597,402	\$23,384,404	\$8,787,002	60.2%	
DISABILITY DETERMINATION SVCS (DDS) J.1.1	\$215,892,310	\$217,981,952	\$2,089,642	1.0%	
GENERAL REVENUE FUNDS	\$0	\$0	\$0	0.0%	
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$215,892,310	\$217,981,952	\$2,089,642	1.0%	Recommendations reflect an increase of \$2.1 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations.
OTHER FUNDS	\$0	\$0	\$0	0.0%	
Total, Goal J, DISABILITY DETERMINATION	\$215,892,310	\$217,981,952	\$2,089,642	1.0%	
GENERAL REVENUE FUNDS	\$0	\$0	\$0	0.0%	
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$215,892,310	\$217,981,952	\$2,089,642	1.0%	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
OFFICE OF INSPECTOR GENERAL K.1.1	\$129,941,542	\$135,825,851	\$5,884,309	4.5%	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
GENERAL REVENUE FUNDS	\$55,712,677	\$57,960,639	\$2,247,962	4.0%	Recommendations reflect the following: - an increase of \$2.8 million to replace the Medicaid Program Integrity's (MPI) Case Management System; - an increase of \$1.1 million to biennialize the statewide salary adjustments included in 2024-25 appropriations; - a decrease of \$1.3 million associated with one-time costs to create a modernized case management system for special investigation units; and - a decrease of \$0.3 million associated with one-time costs to replace the Waste, Abuse, Fraud Electronic Reporting System (WAFERS).
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$62,447,391	\$66,083,738	\$3,636,347	5.8%	Recommendations reflect the following: - an increase of \$2.1 million related to agency-projected changes in federal funds; - an increase of \$1.0 million to replace the MPI Case Management System; - an increase of \$1.0 million to biennialize the statewide salary adjustments included in 2024-25 appropriations; - a decrease of \$0.3 million associated with one-time costs to create a modernized case management system for special investigation units; and - a decrease of \$0.1 million associated with one-time costs to replace WAFERS.
OTHER FUNDS	\$11,781,474	\$11,781,474	\$0	0.0%	
Total, Goal K, OFFICE OF INSPECTOR GENERAL	\$129,941,542	\$135,825,851	\$5,884,309	4.5%	
GENERAL REVENUE FUNDS	\$55,712,677	\$57,960,639	\$2,247,962	4.0%	
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$62,447,391	\$66,083,738	\$3,636,347	5.8%	
OTHER FUNDS	\$11,781,474	\$11,781,474	\$0	0.0%	
HHS SYSTEM SUPPORTS L.1.1	\$351,749,251	\$344,045,947	(\$7,703,304)	(2.2%)	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
GENERAL REVENUE FUNDS	\$121,827,263	\$119,402,579	(\$2,424,684)	(2.0%)	Recommendations reflect the following: - an increase of \$3.3 million to biennialize the statewide salary adjustments included in 2024-25 appropriations; - an increase of \$1.8 million related to full-time-equivalents (FTEs) transferred from Strategy L.1.2, Information Technology Capital Projects Oversight & Program Support. HHSC generally has broad flexibility to make transfers between Goal L, System Oversight & Program Support. The transfer will support Procurement Contracting Services; - an increase of \$0.5 million in ongoing operations related to the grant management system funded in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; - an increase of \$0.5 million related to implementation of Senate Bill 1849, Eighty-eighth Legislature, Regular Session, 2023; - an increase of \$0.1 million in ongoing operations and additional resources to update the System of Contract Operation and Reporting (SCOR) application; - a decrease of \$6.3 million associated with one-time costs to develop and implement a new web-based State of Texas Automated Information and Reporting System (STAIRS) used for the submission of provider cost reports; and - a decrease of \$2.3 million to remove costs that were designated as one-time in Article IX, Section 18.39, Contingency for Senate Bill 24, 2024-25 GAA.
GR DEDICATED	\$0	\$0	\$0	0.0%	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
FEDERAL FUNDS	\$141,664,934	\$139,135,198	(\$2,529,736)	(1.8%)	Recommendations reflect the following: - an increase of \$1.4 million to biennialize the statewide salary adjustments included in 2024-25 appropriations; - an increase of \$0.1 million in ongoing operations related to the grant management system funded in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; - an increase of \$0.1 million related to implementation of Senate Bill 1849, Eighty-eighth Legislature, Regular Session, 2023; - an increase of less than \$0.1 million in in ongoing operations and additional resources to update the SCOR application; - a decrease of \$2.7 million associated with one-time costs to develop and implement a new web-based STAIRS used for the submission of provider cost reports; - a decrease of \$1.0 million to align federal funds with expected awards; and - a decrease of \$0.6 million to remove costs that were designated as one-time in Article IX, Section 18.39, Contingency for Senate Bill 24, 2024-25 GAA.
OTHER FUNDS	\$88,257,054	\$85,508,170	(\$2,748,884)	(3.1%)	Recommendations reflect the following: - an increase of \$2.2 million in Appropriated Receipts related to agency-projected increases in collections authorized by Senate Bill 2138, Eighty-sixth Legislature, Regular Session, 2019; and - a decrease of \$4.9 million in interagency contracts to align funds with anticipated collections.
IT OVERSIGHT & PROGRAM SUPPORT L.1.2	\$750,108,204	\$843,499,368	\$93,391,164	12.5%	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
GENERAL REVENUE FUNDS	\$394,334,832	\$432,025,949	\$37,691,117	9.6%	Recommendations reflect the following: - an increase of \$97.3 million to modernize or implement certain projects, including TIERS, Cybersecurity, Data Center Services, and other items; - an increase of \$2.8 million to biennialize the statewide salary adjustments included in 2024-25 appropriations; - an increase of \$1.4 million to maintain higher fiscal year 2025 amounts for compliance upgrades to the agency's instance of the Centralized Accounting and Payroll/Personnel System (CAPPs); - an increase of \$0.1 million related to the public reporting system of performance and outcome measures to compare LMHAs/LBHAs and LIDDAs authorized by Senate Bill 26, Eighty-eighth Legislature, Regular Session, 2023; - a net decrease of \$45.4 million related to the reduction of one-time funding provided for implementation of certain information technology projects originally appropriated in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023 (decrease of \$62.8 million), offset by increases related to ongoing operations and additional resources for the projects, including the grant management system and state hospital electronic health record projects (increase of \$17.3 million); - a decrease of \$9.1 million to remove costs that were designated as one-time in Article IX, Section 18.39, Contingency for Senate Bill 24, 2024-25 GAA; - a net decrease of \$7.6 million associated with the reduction of one-time costs to develop and implement certain information technology projects originally appropriated in the 2024-25 GAA (decrease of \$11.7 million), including cybersecurity and the SCOR application, partially offset by increases of \$4.2 million to maintain these projects; and - a decrease of \$1.8 million related to FTEs transferred to Strategy L.1.1, Enterprise Oversight and Policy, HHSC generally has broad flexibility to make transfers between Goal L, System Oversight & Program Support. The transfer will support Procurement Contracting Services.
GR DEDICATED	\$2,828	\$2,828	\$0	0.0%	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
FEDERAL FUNDS	\$256,116,472	\$295,222,536	\$39,106,064	15.3%	<p>Recommendations reflect the following:</p> <ul style="list-style-type: none"> - an increase of \$31.7 million to modernize or implement certain projects, including TIERS, Cybersecurity, Data Center Services, and other items; - an increase of \$12.1 million to align federal funds with expected awards; - an increase of \$1.0 million to biennialize the statewide salary adjustments included in 2024-25 appropriations; - an increase of \$0.4 million to maintain higher fiscal year 2025 amounts for compliance upgrades to the agency's instance of CAPPs; - an increase of under \$0.1 million related to the public reporting system of performance and outcome measures to compare LMHAs/LBHAs and LIDDAs authorized by Senate Bill 26, Eighty-eighth Legislature, Regular Session, 2023; - a net decrease of \$2.8 million associated with the reduction of one-time costs to develop and implement certain information technology projects originally appropriated in the 2024-25 GAA (decrease of \$4.4 million), including cybersecurity and the SCOR application, partially offset by increases of \$1.6 million to maintain these projects; and - a decrease of \$1.8 million to remove costs that were designated as one-time in Article IX, Section 18.39, Contingency for Senate Bill 24, 2024-25 GAA; and - a net decrease of \$1.5 million related to one-time funding provided for implementation of certain information technology projects originally appropriated in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021 (decrease of \$1.5 million), offset by increases related to ongoing operations and additional resources for the projects, including the grant management system (increase of under \$0.1 million).

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
OTHER FUNDS	\$99,654,072	\$116,248,055	\$16,593,983	16.7%	Recommendations reflect the following: - an increase of \$11.4 million in Appropriated Receipts related to an agency-requested information technology project to develop a CAPPs module to replace the existing Accounts Receivable Tracking System. The project is funded with certain one-time Medicaid Program Income. Recommendations maintain the funding but do not provide the authority for the project; and - a net increase of \$5.2 million in interagency contracts to align funds with anticipated collections for system support services partially offset by decreases in funding originally appropriated in House Bill 2, Eighty-seventh Legislature, Regular Session, 2021.
CENTRAL PROGRAM SUPPORT L.2.1	\$104,238,228	\$105,966,015	\$1,727,787	1.7%	
GENERAL REVENUE FUNDS	\$50,663,262	\$49,811,876	(\$851,386)	(1.7%)	Recommendations reflect the following: - an increase of \$1.2 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations; - an increase of \$1.0 million to modernize or implement certain projects, including TIERS, Cybersecurity, and other items; - an increase of \$0.5 million in ongoing operations related to the grant management system funded in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; - an increase of less than \$0.1 million to support higher fiscal year 2025 costs associated with the release of Medicaid waiver slots; - a decrease of \$3.5 million to remove costs that were designated as one-time in Article IX, Section 18.39, Contingency for Senate Bill 24, 2024-25 GAA; - a decrease of \$0.1 million in one-time funding provided to upgrade the electronic health record system for state hospitals. The funds were originally appropriated in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and - a decrease of less than \$0.1 million associated with one-time costs to improve the TIERS learning environment and to develop an eligibility workload management system.
GR DEDICATED	\$42	\$42	\$0	0.0%	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
FEDERAL FUNDS	\$40,578,556	\$43,157,729	\$2,579,173	6.4%	Recommendations reflect the following: - an increase of \$2.3 million to align federal funds with expected awards; - an increase of \$0.6 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations; - an increase of \$0.5 million to modernize or implement certain projects, including TIERS, Cybersecurity, and other items; - an increase of less than \$0.1 million in ongoing operations related to the grant management system funded in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; - an increase of less than \$0.1 million to support higher fiscal year 2025 costs associated with the release of Medicaid waiver slots; - a decrease of \$0.9 million to remove costs that were designated as one-time in Article IX, Section 18.39, Contingency for Senate Bill 24, 2024-25 GAA; - a decrease of less than \$0.1 million in one-time funding provided to upgrade the electronic health record system for state hospitals. The funds were originally appropriated in Senate Bill 30, Eighty-eighth Legislature, Regular Session, 2023; and - a decrease of less than \$0.1 million associated with one-time costs to improve the TIERS learning environment and to develop an eligibility workload management system.
OTHER FUNDS	\$12,996,368	\$12,996,368	\$0	0.0%	
REGIONAL PROGRAM SUPPORT L.2.2	\$221,292,744	\$222,546,823	\$1,254,079	0.6%	
GENERAL REVENUE FUNDS	\$20,999,059	\$21,807,621	\$808,562	3.9%	Recommendations reflect an increase to biennialize the statewide salary adjustments included in the 2024-25 appropriations.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$11,525,410	\$11,970,927	\$445,517	3.9%	Recommendations reflect the following: - an increase of \$0.2 million to align federal funds with expected awards; and - an increase of \$0.2 million to biennialize the statewide salary adjustments included in the 2024-25 appropriations.
OTHER FUNDS	\$188,768,275	\$188,768,275	\$0	0.0%	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
Total, Goal L, SYSTEM OVERSIGHT & PROGRAM SUPPORT	\$1,427,388,427	\$1,516,058,153	\$88,669,726	6.2%	
GENERAL REVENUE FUNDS	\$587,824,416	\$623,048,025	\$35,223,609	6.0%	
GR DEDICATED	\$2,870	\$2,870	\$0	0.0%	
FEDERAL FUNDS	\$449,885,372	\$489,486,390	\$39,601,018	8.8%	
OTHER FUNDS	\$389,675,769	\$403,520,868	\$13,845,099	3.6%	
TEXAS CIVIL COMMITMENT OFFICE M.1.1	\$44,651,530	\$49,514,060	\$4,862,530	10.9%	
GENERAL REVENUE FUNDS	\$44,255,953	\$49,274,060	\$5,018,107	11.3%	Recommendations reflect the following: - an increase of \$2.9 million to transfer resources from Strategy M.1.2, TCCO Administration, to Strategy M.1.1, TCCO; - an increase of \$1.8 million to maintain higher fiscal year 2025 appropriations for caseload, salaries, and contracted rates; - an increase of \$0.8 million to maintain contracted services at fiscal year 2024 biennial spending levels; - an increase of less than \$0.1 million to biennialize statewide salary adjustments included in the 2024-25 appropriations; and - a decrease of \$0.6 million to hold offsite healthcare costs to fiscal year 2024 reported levels.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$13,698	\$0	(\$13,698)	(100.0%)	Recommendations reflect a decrease of one-time funding provided for COVID-19-related expenses. The funds were originally appropriated in Senate Bill 8, Eighty-seventh Legislature, Third-called Session, 2021.
OTHER FUNDS	\$381,879	\$240,000	(\$141,879)	(37.2%)	Recommendations reflect an increase of \$0.1 million to align appropriated receipts with expected collections.
TCCO ADMINISTRATION M.1.2	\$3,489,223	\$3,618,264	\$129,041	3.7%	
GENERAL REVENUE FUNDS	\$3,489,223	\$3,618,264	\$129,041	3.7%	Recommendations reflect the following: - an increase of \$0.1 million to biennialize statewide salary adjustments included in the 2024-25 appropriations; and - an increase of less than \$0.1 million to transfer resources between Strategy M.1.1, TCCO, and Strategy M.1.2, TCCO Administration.
GR DEDICATED	\$0	\$0	\$0	0.0%	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
FEDERAL FUNDS	\$0	\$0	\$0	0.0%	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
Total, Goal M, TEXAS CIVIL COMMITMENT OFFICE	\$48,140,753	\$53,132,324	\$4,991,571	10.4%	
GENERAL REVENUE FUNDS	\$47,745,176	\$52,892,324	\$5,147,148	10.8%	
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$13,698	\$0	(\$13,698)	(100.0%)	
OTHER FUNDS	\$381,879	\$240,000	(\$141,879)	(37.2%)	
TEXAS PHARMACEUTICAL INITIATIVE N.1.1	\$150,000,000	\$0	(\$150,000,000)	(100.0%)	
GENERAL REVENUE FUNDS	\$150,000,000	\$0	(\$150,000,000)	(100.0%)	Recommendations reflect a decrease of one-time funding provided to establish and stand up the Texas Pharmaceutical Initiative (TPI).
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$0	\$0	\$0	0.0%	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
Total, Goal N, TEXAS PHARMACEUTICAL INITIATIVE	\$150,000,000	\$0	(\$150,000,000)	(100.0%)	
GENERAL REVENUE FUNDS	\$150,000,000	\$0	(\$150,000,000)	(100.0%)	
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$0	\$0	\$0	0.0%	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
FAMILY AND YOUTH SUCCESS PROGRAM O.1.1	\$31,912,360	\$63,224,720	\$31,312,360	98.1%	
GENERAL REVENUE FUNDS	\$28,109,790	\$56,219,580	\$28,109,790	100.0%	Recommendations reflect an increase associated with the biennialization of funding for the transfer of Prevention and Early Intervention (PEI) programs to HHSC pursuant to Senate Bill 24, Eighty-eighth Legislature, Regular Session, 2023 (SB 24). See Section 3, Fiscal and Policy Issues.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$3,802,570	\$7,005,140	\$3,202,570	84.2%	Recommendations reflect the following: - an increase of \$3.5 million related to the biennialization for the transfer of PEI programs to HHSC; and - a decrease of \$0.3 million in federal funding provided for COVID-19 response.

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
OTHER FUNDS	\$0	\$0	\$0	0.0%	
CYD PROGRAM O.1.2	\$10,384,552	\$20,545,116	\$10,160,564	97.8%	
GENERAL REVENUE FUNDS	\$8,010,951	\$16,021,902	\$8,010,951	100.0%	Recommendations reflect an increase associated with the biennialization of funding for the transfer of PEI programs to HHSC pursuant to SB 24. See Section 3, Fiscal and Policy Issues.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$2,373,601	\$4,523,214	\$2,149,613	90.6%	Recommendations reflect the following: - an increase of \$2.3 million related to the biennialization for the transfer of PEI programs to HHSC; and - a decrease of \$0.1 million in federal funding provided for COVID-19 response.
OTHER FUNDS	\$0	\$0	\$0	0.0%	
CHILD ABUSE PREVENTION GRANTS O.1.3	\$5,521,470	\$10,342,940	\$4,821,470	87.3%	
GENERAL REVENUE FUNDS	\$41,520	\$83,040	\$41,520	100.0%	Recommendations reflect an increase associated with the biennialization of funding for the transfer of PEI programs to HHSC pursuant to SB 24, including less than \$0.1 million for salary increases. See Section 3, Fiscal and Policy Issues.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$5,479,950	\$10,259,900	\$4,779,950	87.2%	Recommendations reflect the following: - an increase of \$5.1 million related to the biennialization for the transfer of PEI programs to HHSC; and - a decrease of \$0.4 million in federal funding provided for COVID-19 response.
OTHER FUNDS	\$0	\$0	\$0	0.0%	
OTHER AT-RISK PREVENTION PROGRAMS O.1.4	\$43,365,421	\$83,687,542	\$40,322,121	93.0%	
GENERAL REVENUE FUNDS	\$37,558,771	\$75,117,542	\$37,558,771	100.0%	Recommendations reflect an increase associated with the biennialization of funding for the transfer of PEI programs to HHSC pursuant to SB 24. See Section 3, Fiscal and Policy Issues.
GR DEDICATED	\$4,285,000	\$8,570,000	\$4,285,000	100.0%	Recommendations reflect an increase associated with the biennialization of funding for the transfer of PEI programs to HHSC pursuant to SB 24. See Section 3, Fiscal and Policy Issues.

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
FEDERAL FUNDS	\$1,521,650	\$0	(\$1,521,650)	(100.0%)	Recommendations reflect a decrease to align federal funds with expected awards.
OTHER FUNDS	\$0	\$0	\$0	0.0%	
HOME VISITING PROGRAMS O.1.5	\$50,746,590	\$96,041,480	\$45,294,890	89.3%	
GENERAL REVENUE FUNDS	\$17,058,286	\$34,116,572	\$17,058,286	100.0%	Recommendations reflect an increase associated with the biennialization of funding for the transfer of PEI programs to HHSC pursuant to SB 24. See Section 3, Fiscal and Policy Issues.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$33,688,304	\$61,924,908	\$28,236,604	83.8%	Recommendations reflect the following: - an increase of \$31.0 million related to the biennialization for the transfer of PEI programs to HHSC; - a decrease of \$1.3 million in federal funding provided for COVID-19 response; and - a decrease of \$1.4 million to align federal funds with expected awards.
OTHER FUNDS	\$0	\$0	\$0	0.0%	
FAMILY SUPPORT SVCS PROGRAM SUPPORT O.1.6	\$11,313,852	\$21,968,772	\$10,654,920	94.2%	
GENERAL REVENUE FUNDS	\$8,073,795	\$16,147,590	\$8,073,795	100.0%	Recommendations reflect an increase associated with the biennialization of funding for the transfer of PEI programs to HHSC pursuant to SB 24, including less than \$0.2 million for salary increases. See Section 3, Fiscal and Policy Issues.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$3,240,057	\$5,821,182	\$2,581,125	79.7%	Recommendations reflect the following: - an increase of \$2.9 million related to the biennialization for the transfer of PEI programs to HHSC; and - a decrease of \$0.3 million in federal funding provided for COVID-19 response.
OTHER FUNDS	\$0	\$0	\$0	0.0%	
Total, Goal O, FAMILY SUPPORT SERVICES	\$153,244,245	\$295,810,570	\$142,566,325	93.0%	
GENERAL REVENUE FUNDS	\$98,853,113	\$197,706,226	\$98,853,113	100.0%	
GR DEDICATED	\$4,285,000	\$8,570,000	\$4,285,000	100.0%	
FEDERAL FUNDS	\$50,106,132	\$89,534,344	\$39,428,212	78.7%	

**Health and Human Services Commission
Funding Changes and Recommendations by Strategy - Senate**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
OTHER FUNDS	\$0	\$0	\$0	0.0%	
Grand Total, All Agency	\$92,071,358,398	\$93,965,966,031	\$1,894,607,633	2.1%	
GENERAL REVENUE FUNDS	\$38,161,139,415	\$38,800,402,350	\$639,262,935	1.7%	
GR DEDICATED	\$162,574,951	\$167,157,298	\$4,582,347	2.8%	
FEDERAL FUNDS	\$51,793,854,451	\$53,154,592,668	\$1,360,738,217	2.6%	
OTHER FUNDS	\$1,953,789,581	\$1,843,813,715	(\$109,975,866)	(5.6%)	

Texas Health & Human Services Commission
Summary of Federal Funds - Senate
(Dollar amounts in Millions)

Program	Est 2024	Bud 2025	Rec 2026	Rec 2027	2024-25 Base	2026-27 Rec	2026-27 Rec % Total	Recommended Over/(Under) Base	% Change from Base
Medical Assistance Program	\$23,053.7	\$22,844.4	\$23,767.8	\$24,140.5	\$45,898.1	\$47,908.3	90.1%	\$2,010.2	4.4%
Special Supplemental Nutrition Program - Women, Infants, & Children	\$804.6	\$575.4	\$975.8	\$1,000.8	\$1,379.9	\$1,976.6	3.7%	\$596.6	43.2%
State Children's Health Insurance Program (CHIP)	\$375.1	\$431.6	\$431.4	\$430.5	\$806.7	\$861.8	1.6%	\$55.1	6.8%
State Administrative Matching Grants for Supplemental Nutrition Assistance Program (SNAP)	\$236.2	\$240.5	\$255.0	\$255.9	\$476.7	\$510.9	1.0%	\$34.2	7.2%
Substance Use Prevention, Treatment, and Recovery Services Block Grant	\$188.3	\$171.2	\$163.0	\$163.0	\$359.5	\$326.1	0.6%	(\$33.5)	(9.3%)
Social Security Disability Insurance	\$113.2	\$115.8	\$116.1	\$116.2	\$229.0	\$232.3	0.4%	\$3.3	1.4%
Social Services Block Grant	\$101.3	\$101.3	\$101.3	\$101.3	\$202.6	\$202.6	0.4%	\$0.0	0.0%
Block Grants for Community Mental Health	\$88.3	\$99.1	\$82.9	\$82.9	\$187.4	\$165.8	0.3%	(\$21.5)	(11.5%)
Opioid State Targeted Response	\$65.4	\$54.7	\$54.6	\$54.6	\$120.1	\$109.2	0.2%	(\$10.9)	(9.1%)
Special Education Grants for Infants & Families with Disabilities	\$53.1	\$50.3	\$53.6	\$54.3	\$103.4	\$107.9	0.2%	\$4.6	4.4%
Temporary Assistance for Needy Families to Title XX	\$45.1	\$45.1	\$45.1	\$45.1	\$90.2	\$90.2	0.2%	\$0.0	0.0%
Special Programs for the Aging, Title III, Part C, Nutrition Services	\$44.2	\$44.5	\$44.5	\$44.5	\$88.8	\$89.1	0.2%	\$0.3	0.3%
State Survey and Certification of Health Care Providers and Suppliers (Title XIX) Medicaid	\$31.5	\$34.1	\$35.6	\$35.6	\$65.5	\$71.1	0.1%	\$5.6	8.6%
State Medicare Survey and Certification Grants	\$32.9	\$32.8	\$32.9	\$32.8	\$65.7	\$65.7	0.1%	\$0.0	0.0%
Grants for Supportive Services and Senior Centers	\$30.2	\$30.7	\$30.7	\$30.7	\$60.9	\$61.3	0.1%	\$0.4	0.7%
Temporary Assistance for Needy Families	\$16.2	\$29.2	\$29.2	\$29.2	\$45.3	\$58.4	0.1%	\$13.1	28.8%
Child Care and Development Block Grant	\$19.9	\$20.1	\$22.5	\$22.5	\$40.0	\$45.0	0.1%	\$5.0	12.5%
Maternal, Infant and Early Childhood Home Visiting Grant Program	\$0.0	\$20.1	\$20.2	\$20.2	\$20.1	\$40.4	0.1%	\$20.3	101.2%
Money Follows the Person Rebalancing Demonstration	\$19.2	\$19.8	\$19.9	\$19.8	\$39.1	\$39.7	0.1%	\$0.7	1.8%
Nutrition Services Incentive Program	\$11.6	\$11.6	\$11.6	\$11.6	\$23.1	\$23.1	0.0%	\$0.0	0.0%
National Family Caregiver Support Program	\$11.3	\$11.4	\$11.4	\$11.4	\$22.7	\$22.7	0.0%	\$0.1	0.3%
Family Violence Prevention & Services	\$9.9	\$9.6	\$9.8	\$9.8	\$19.5	\$19.6	0.0%	\$0.1	0.6%
Maternal and Child Health Services Block Grants to the States	\$8.2	\$8.2	\$8.2	\$8.2	\$16.3	\$16.3	0.0%	\$0.0	0.0%
Abstinence Education	\$7.2	\$7.1	\$6.8	\$6.8	\$14.3	\$13.5	0.0%	(\$0.8)	(5.5%)
Promoting Safe and Stable Families	\$0.0	\$6.5	\$6.5	\$6.5	\$6.5	\$13.0	0.0%	\$6.5	100.0%
Cancer Prevention and Control Programs	\$6.7	\$6.5	\$6.5	\$6.5	\$13.1	\$12.9	0.0%	(\$0.2)	(1.6%)
Community-Based Resource Centers for Child Abuse Prevention	\$0.0	\$5.8	\$5.8	\$5.8	\$5.8	\$11.6	0.0%	\$5.8	100.0%
Special Education Grants to States	\$5.1	\$5.1	\$5.1	\$5.1	\$10.3	\$10.3	0.0%	\$0.0	0.0%
Projects for Assistance in Transition from Homelessness	\$5.0	\$5.0	\$5.1	\$5.1	\$9.9	\$10.3	0.0%	\$0.4	3.5%
Foster Care Grants	\$3.9	\$4.0	\$3.9	\$3.9	\$7.9	\$7.8	0.0%	(\$0.1)	(1.1%)
COVID-19 CHIP	\$4.9	\$0.0	\$0.0	\$0.0	\$4.9	\$0.0	0.0%	(\$4.9)	(100.0%)
COVID-19 Medical Assistance Program (FMAP)	\$207.3	\$0.0	\$0.0	\$0.0	\$207.3	\$0.0	0.0%	(\$207.3)	(100.0%)
All Other COVID-19 Grants ¹	\$231.0	\$184.1	\$0.0	\$0.0	\$415.1	\$0.0	0.0%	(\$415.1)	(100.0%)
All Other Grants ²	\$654.4	\$83.7	\$15.4	\$15.4	\$738.1	\$30.9	0.1%	(\$707.2)	(95.8%)
TOTAL:	\$26,484.7	\$25,309.2	\$26,378.1	\$26,776.4	\$51,793.9	\$53,154.6	100.0%	\$1,360.7	2.6%

¹ All other COVID-19 grants include Coronavirus State Fiscal Recovery Funds (ARPA) appropriated through Senate Bill 8, Eighty-seventh Legislature Third Called Session, and other supplemental funding for health and human services programs in response to the pandemic.

² All other grants include awards for adoption, guardianship, independent living assistance, disaster assistance, and various other health and human services programs.

**Health and Human Services Commission
FTE Highlights - Senate**

Full-Time-Equivalent Positions	Expended 2023	Estimated 2024	Budgeted 2025	Recommended 2026	Recommended 2027
Cap	38,467.3	38,698.0	38,791.4	40,400.2	41,726.0
Actual/Budgeted	34,198.6	37,094.1	39,005.4	NA	NA

Schedule of Exempt Positions					
Executive Commissioner, Group 9	\$290,258	\$317,754	\$345,250	\$345,250	\$345,250
Texas Civil Commitment Office Executive Director, Group 7	NA	\$240,000	\$240,000	\$240,000	\$240,000

Notes:

- a) FTEs expended in fiscal year 2023 and estimated in fiscal year 2024 represent a reduction compared to the cap due to agency-wide vacancies. Vacancies were primarily in facility-based and eligibility enrollment operations.

- b) FTEs budgeted in fiscal year 2025 reflect the following adjustments: an increase of 172.0 FTEs in multiple program areas that are 100.0 percent federally funded; an increase of 36.0 FTEs transferred from the Department of State Health Services (DSHS) to support information technology projects pursuant to Special Provisions Relating to All Health and Human Services Agencies, Section 6, Limitation on Transfer Authority; and an increase of 6.0 FTEs transferred from the Department of Family and Protective Services (DFPS) to support investigation oversight that transferred to the Health and Human Services Commission (HHSC) pursuant to House Bill 4696, Eighty-eighth Legislature, Regular Session, 2023.

- c) Recommended FTEs in the 2026-27 biennium maintain fiscal year 2025 budgeted levels with the following adjustments: an increase of 630.6/1,964.8 FTEs to staff additional capacity at Austin, Kerrville, Rio Grande, Rusk, San Antonio, and Terrell State Hospitals, and staff new Lubbock and Panhandle State Hospitals; an increase of 642.0/642.0 FTEs for temporary staff related to eligibility operations; an increase of 167.0/158.6 FTEs related to new and ongoing costs for certain information technology projects; a decrease of 43.8/43.8 FTEs that were designated as one-time in Article IX, Section 18.39, Contingency for Senate Bill 24, 2024-25 General Appropriations Act (GAA); and a decrease of 1.0/1.0 FTE related to functions that transferred to the Office of Public Insurance Counsel (OPIC).

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d) Senate Bill 166, Eighty-second Legislature, Regular Session, 2011, established the Texas Civil Commitment Office (TCCO) as an administratively attached agency to HHSC. The TCCO Executive Director was added as an exempt position during the Eighty-eighth Legislative Session.

e) The State Auditor's Office Report, *Executive Compensation at State Agencies* (Report 25-702, October 2024) indicates an average market salary of \$358,612 for the Executive Commissioner position at HHSC and proposed raising the salary group from Salary Group 9 to a new Salary Group 10. The agency did not request any changes to its Executive Commissioner exempt position in the 2026-27 Legislative Appropriations Request.