

**Department of State Health Services  
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	\$726,169,382	\$765,331,879	\$39,162,497	5.4%
GR Dedicated Funds	\$342,229,335	\$337,277,283	(\$4,952,052)	(1.4%)
<b>Total GR-Related Funds</b>	<b>\$1,068,398,717</b>	<b>\$1,102,609,162</b>	<b>\$34,210,445</b>	<b>3.2%</b>
Federal Funds	\$1,625,692,389	\$931,042,633	(\$694,649,756)	(42.7%)
Other	\$273,120,034	\$264,193,679	(\$8,926,355)	(3.3%)
<b>All Funds</b>	<b>\$2,967,211,140</b>	<b>\$2,297,845,474</b>	<b>(\$669,365,666)</b>	<b>(22.6%)</b>

	FY 2025 Budgeted	FY 2027 Recommended	Biennial Change	Percent Change
FTEs	4,138.2	3,369.2	(769.0)	(18.6%)

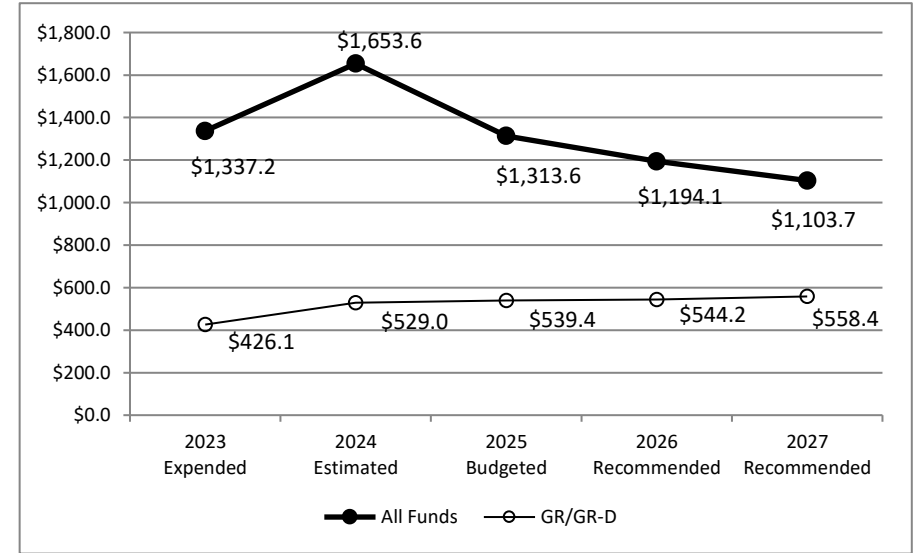
**Agency Budget and Policy Issues and/or Highlights**

The biennial percent change in funding is primarily due to a reduction in federal funding for COVID-19 response, partially offset by increases to biennialize the statewide salary adjustment.

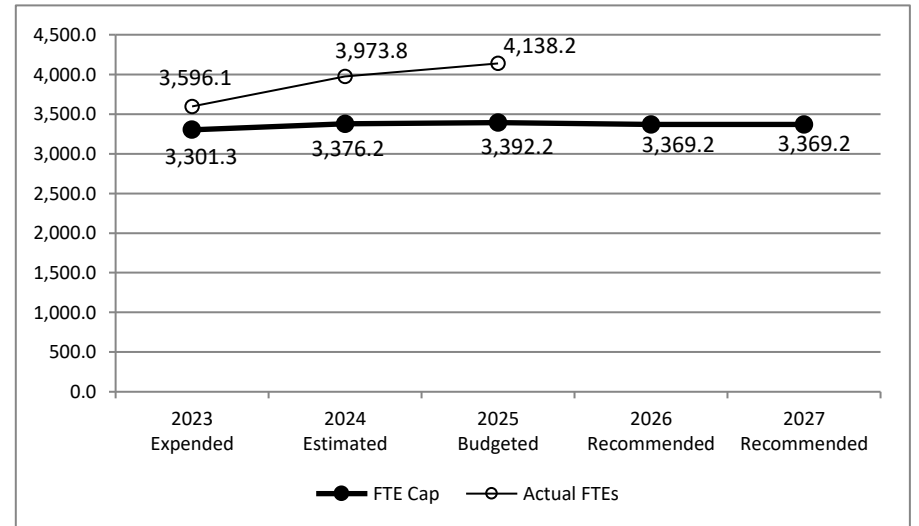
Fiscal year 2027 recommended FTEs represent a decrease of 18.6 percent compared to fiscal year 2025 appropriated levels largely due to the inclusion of one-time federally funded FTEs (776.0) in the 2024-25 biennium for COVID-19 response related to information technology system upgrades, laboratory expansion, and disease surveillance. These FTEs are not maintained in 2026-27 recommendations.

The bill pattern for this agency (2026-27 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2026-27 biennium.

**Historical Funding Levels (Millions)**



**Historical Full-Time-Equivalent Employees (FTEs)**



**State Health Services**  
**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)	COVID-19 Response Federal Funding	\$0.0	\$0.0	(\$603.8)	\$0.0	(\$603.8)	Various
B)	One-time funding (See Selected Fiscal and Policy Issue #2)	(\$10.6)	(\$6.5)	(\$20.7)	\$0.0	(\$37.8)	A.2.2, A.2.5, A.4.1, B.1.1, E.1.2, E.1.4, B.2.1, B.2.2
C)	Estimated HIV Drug Rebates	\$0.0	\$0.0	\$0.0	(\$45.8)	(\$45.8)	A.2.2
D)	Estimated Public Health Medicaid Reimbursement revenue (Fund 709) and Public Health Services Fee revenue (Fund 524)	\$0.0	\$6.1	\$0.0	\$42.0	\$48.1	A.4.1
E)	Replace COVID-19 Federal Funding for Modern Infrastructure for Public Health Datasets Project	\$12.7	\$0.0	\$0.0	\$0.0	\$12.7	A.2.1, A.2.3
F)	Align General Revenue-Dedicated Account No. 19, Vital Statistics, with projected revenue	\$0.0	(\$6.1)	\$0.0	\$0.0	(\$6.1)	A.1.2
G)	Cancer Prevention and Research Institute of Texas (CPRIT) MOF Swap	\$5.6	\$0.0	\$0.0	(\$5.6)	\$0.0	A.1.3
H)	Funding for Data Center Consolidation needs (Exceptional Item Request #1b)	\$15.4	\$0.0	\$9.7	\$0.0	\$25.1	D.1.1

***OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):***

I)	Funding to biennialize statewide salary adjustments included in the 2024-25 appropriations	\$7.8	\$1.8	\$0.0	\$0.0	\$9.6	Various
J)	Align Federal Funds with projected awards	\$0.0	\$0.0	(\$79.8)	\$0.0	(\$79.8)	Various
K)	Oyster Fee Revenue MOF Swap	\$0.2	(\$0.2)	\$0.0	\$0.0	\$0.0	C.1.1, C.1.2
L)	Align Appropriated Receipts with estimated collections	\$0.0	\$0.0	\$0.0	\$0.3	\$0.3	Various
M)	Align Chest Fees with estimated collections	\$0.0	\$0.0	\$0.0	\$0.2	\$0.2	A.2.5
K)	Spay and Neuter Pilot Program - Public Health Focus	\$8.0	\$0.0	\$0.0	\$0.0	\$8.0	A.2.3

**State Health Services**  
**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
<b>TOTAL SIGNIFICANT &amp; OTHER Funding Changes and Recommendations (in millions)</b>	<b>\$39.2</b>	<b>(\$5.0)</b>	<b>(\$694.6)</b>	<b>(\$8.9)</b>	<b>(\$669.4)</b>	As Listed
<i>SIGNIFICANT &amp; OTHER Funding Increases</i>	\$28.7	\$7.9	\$0.0	\$42.5	\$78.9	As Listed
<i>SIGNIFICANT &amp; OTHER Funding Decreases</i>	(\$10.6)	(\$6.7)	(\$704.3)	(\$45.8)	(\$767.2)	As Listed

NOTE: Totals may not sum due to rounding.

**Department of State Health Services  
Selected Fiscal and Policy Issues – Senate**

**1. COVID-19 Response.**

- a. *Federal Funding:* Recommendations include \$250.8 million in federal funds received for the COVID-19 response. This is a reduction of \$614.8 million in federal funds compared to 2024-25 biennial spending levels. Federal awards in 2026-27 recommendations include \$143.8 million in Epidemiology and Lab Capacity funds, \$94.9 million in Public Health Infrastructure funds, \$6.9 million in Public Assistance Category B funds, and \$5.3 million in Support State Health Department Response to Public Health Crisis funds.
- b. *Replace Unavailable COVID-19 Federal Funds.* DSHS was appropriated \$17.6 million in General Revenue (\$30.2 million in All Funds) in the 2024-25 biennium to modernize the infrastructure for certain public health datasets and to maintain a public health informatics and data team that supports reporting needs related to the laboratory. Funding included \$12.6 million in COVID-19 federal funding in fiscal year 2024 that could not be maintained in the 2026-27 biennium. **Recommendations for the 2026-27 biennium include an increase of \$12.7 million in General Revenue to replace COVID-19 federal funding and maintain certain higher fiscal year 2025 costs related to the public health datasets.**
- c. *FTEs.* Compared to the agency's appropriated cap, the 2024-25 base includes an additional 824.0 FTEs in fiscal year 2024 and 776.0 FTEs in fiscal year 2025 related to continued COVID-19 functions in the 2024-25 biennium, including information technology system upgrades, laboratory expansion, and disease surveillance. The FTEs are 100.0 percent federally funded and were allocated among nine strategies. Because of the temporary nature of these positions, recommendations reduce the related FTE authority to ensure the 2026-27 FTE cap only reflects ongoing FTE needs. According to DSHS, the agency anticipates needing FTE authority for 609.9 FTEs in fiscal year 2026 and 400.8 FTEs in fiscal year 2027 related to COVID-19 response. The agency would be required to submit an exceptional item or a notification pursuant to Article IX, Section 6.10, Limitation on State Employment Levels, if the authority is needed. **Recommendations do not reduce \$46.9 million in COVID-19 federal funding included in the agency's baseline request for 2026-27 associated with salaries for the additional positions.**
- d. *Remaining COVID-19 Federal Funds Balances.* DSHS received funds through the Coronavirus Preparedness and Response Supplemental Appropriations Act (CPRSAA), the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Paycheck Protection Program and Health Care Enhancement Act (PPPHCEA), the Coronavirus Response and Relief Supplemental Appropriation (CRRSA) Act, and the American Rescue Plan Act (ARPA). While the majority of funds have been expended, obligated, or lapsed, DSHS still has funding that remain unexpended.

**2. One-Time Funding. Recommendations reflect a reduction of \$10.6 million in General Revenue (GR) and \$6.5 million in General Revenue – Dedicated (GR-D) Funds related to one-time funding provided in 2024-25 for the following items:**

- a. \$5.0 million in GR for implementation of the Maternal Mortality Review Information Application (MMRIA) Replacement system;
- b. \$4.1 million in GR-D from the Newborn Screening Preservation account (Fund 5183);
- c. \$2.4 million in GR-D for Laboratory Building Repair;
- d. \$2.3 million in GR for capital funding for the Texas Center for Infectious Disease (TCID);
- e. \$1.4 million in GR for implementation of the Maternal Health Quality Improvement System;
- f. \$1.0 million in GR for vehicle fleet replacement;
- g. \$0.8 million in GR for capital funding for Web Application Firewall; and
- h. \$0.1 million in GR for HIV and Sexually Transmitted Disease Testing Pilot Program.

In addition, recommendations remove \$20.7 million in Federal Fund 325 (COVID-19) related to one-time items appropriated in Senate Bill 8, Eighty-seventh Legislature, Third called session, carried forward from fiscal year 2022-23 into the 2024-25 biennium.

3. FTEs.

- a. 2026-27 FTE Cap. FTE recommendations in the 2026-27 biennium assume 2025 appropriated levels adjusted to account for agency riders and approved agency requests to transfer FTEs among Article II agencies. A reconciliation of the 2026-27 recommendations is shown in the following table:

		Fiscal Year 2026	Fiscal Year 2027
Fiscal Year 2025 FTE Cap		3,392.2	3,392.2
	COVID-19 Response, Letter October 7, 2024	776.0	776.0
	System Support Services Transfer to Health and Human Services Commission (HHSC), Letter January 18, 2024	(36.0)	(36.0)
	Rider 32, Hemp Regulation	6.0	6.0
Adjusted FY 2025 FTE Cap		4,138.2	4,138.2
2026-27 Starting FTE Amount Based on Adjusted 2025		4138.2	4,138.2
FTE Adjustments	COVID-19 Response FTEs	(776.0)	(776.0)
	Maternal Mortality and Morbidity Project	7.0	7.0
<b>Recommended 2026-27 FTE cap</b>		<b>3,369.2</b>	<b>3,369.2</b>

- b. **Staffing Shortages. Recommendations include \$9.6 million in General Revenue/General Revenue-Dedicated Funds to biennialize statewide salary adjustments included in the 2024-25 appropriations. Recommendations do not include any additional funding related to staffing shortages and retention issues.**

DSHS appropriations for the 2024-25 biennium included \$28.6 million in General Revenue/General Revenue-Dedicated Funds (\$35.7 million in All Funds) for statewide salary adjustments and \$2.9 million in General Revenue for targeted salary increases for the Texas Center for Infectious Disease (TCID). According to DSHS, the agency is experiencing staffing shortages and retention issues across multiple programs. The agency reports that the average annual vacancy rate across all programs for fiscal year 2024 was 5.2 percent.

DSHS submitted Exceptional Item Request #6, Support Growth in Texas Industries and Career Entry, to address some of the staffing shortages. The request totals \$14.6 million in General Revenue/General Revenue – Dedicated Funds and 11.0/17.0 FTEs for the following items:

- \$5.3 million in General Revenue/General Revenue-Dedicated Funds to increase salaries of 146 meat safety FTEs to levels comparable to federal employees and to increase the number of employees in support of meat safety efforts by 4.0 FTEs in fiscal year 2026 and 10.0 FTEs in fiscal year 2027. Salary increases would amount to a 19.5 percent increase compared to current levels. The vacancy rate for meat safety employees is currently 8.9 percent.
- \$5.5 million in General Revenue/General Revenue-Dedicated Funds to increase salaries of 177 food safety program FTEs to levels comparable to federal employees. The vacancy rate for the Retail and Manufactured Food Safety Program is currently 7.3 percent.
- \$2.2 million in General Revenue/General Revenue-Dedicated Funds to increase salaries of 98 radiation control FTEs to levels comparable to federal employees. The vacancy rate is currently 18.0 percent.
- \$0.9 million in General Revenue to hire 4.0 FTEs to survey, inspect, and investigate EMS personnel, providers, education programs, and first responder organizations; and
- \$0.7 million in General Revenue to hire 3.0 FTEs to review Community Health Workers (CHW) and CHW instructor applications quicker.

Additionally, Exceptional Item Request #5, Ensure Access to Regional and Local Public Health Services, includes \$4.1 million in General Revenue to address social services staffing shortages and retention issues. The request would increase the salaries of 246.5 FTE positions. The vacancy rate for social services staffing is currently 13.4 percent.

4. **Cancer Prevention and Research Institute of Texas (CPRIT) Transfer for Cancer Registry.** Historically, DSHS has received a transfer of \$6.2 million from CPRIT General Obligation Bonds each biennium to administer the cancer registry. This includes \$5.4 million for direct appropriations and \$0.8 million for related benefits in order to maintain the General Obligation bonds at CPRIT. Recommendations remove the interagency contract (IAC) funds at DSHS for the transfer of General Obligation Bond Proceeds from CPRIT and appropriate the funding directly to DSHS out of General Revenue in the amount of \$5.4 million to cover the direct costs. The agency also included an additional \$0.2 million for an increase to the in the base to pay for 88<sup>th</sup> Regular Session enacted salary increases of 5.0 percent in fiscal years 2024-25 and for costs related to data and job-specific software subscriptions, professional training, certification, and continuing education. **To continue to fulfill cancer registry obligations, recommendations reflect an increase of \$5.6 million in General Revenue appropriated to DSHS for the cancer registry and the requested increases by DSHS. Recommendations remove the related IAC funds and delete Rider 23 which obligated the transfer from CPRIT to DSHS.**
5. **HIV/STD Prevention.** Recommendations for Strategy A.2.2, HIV/STD Prevention include \$133.8 million in General Revenue (\$452.9 million in All Funds), which is an increase of \$4.0 million in General Revenue and a decrease of \$95.3 million in All Funds compared to 2024-25 biennial spending levels.
- a. *HIV Vendor Drug Rebates.* **Recommendations reflect a decrease of \$45.8 million in the HIV Vendor Drug Rebates Account No. 8149 (Other Funds) from the 2024-25 biennium.** The Department of State Health Services (DSHS) earns drug manufacturer rebates on medication co-payments it makes in the State Pharmaceutical Assistance Program (SPAP) and the Texas Insurance Assistance Program (TIAP), which are both part of its HIV Medication program. According to the agency, the reduction of HIV Vendor Drug Rebates is largely attribute to Medicare Part D changes including moving partial Low Income Subsidy (LIS) Medicare Part D clients to full LIS which helps clients pay for prescription drugs and lowers the cost of Medicare prescription drug coverage, and reduces out of pocket cost sharing that Medicare Part D clients have to provide from about \$8,000 annually to \$2,000 annually. These changes are anticipated to reduce overall SPAP claims, resulting in a decrease by as much as \$17.0 million in rebates by the end of calendar year 2025, according to the agency.

On November 1, 2024, DSHS instituted TIAP-PLUS, an insurance purchase model to expand the TIAP program which is the insurance assistance program for non-Medicare Part D. TIAP-PLUS covers the cost of health insurance premiums and medication copayments and deductibles for eligible participants. TIAP-PLUS clients are required to enroll in a qualified health insurance plan that includes appropriate primary care services, at least one drug in each class of core antiretroviral therapeutics, needed prescriptions especially drugs needed for HIV treatment, a participating pharmacy convenient to the participant, and must also be cost-effective. TIAP is currently capped at 200 clients. Up to 20 percent of clients from the AIDS Drug Assistance Program (ADAP), which is the program that directly purchases medications from a formulary, will be moved to the TIAP program over a three-year period allowing for additional rebate revenue. DSHS currently receives over \$3 in rebates for every \$1 spent on insurance-based drug copayments. The agency will begin implementation in fiscal year 2025.

- b. *HIV Care Formula Grants.* DSHS receives Ryan White Part B HIV Care Formula Grants from the Health Resources and Services Administration (HRSA) to improve the quality, availability, and organization of HIV health care and support services in the state. There are two parts to the grant: a formula-driven base, and a formula-driven increase for AIDS Drug Assistance Program (ADAP) amount. From federal fiscal year 2024 to 2028, DSHS reports \$126.3 million per year for the total grant award, in both the base and the ADAP portion.

The formula grant for both the base and ADAP portion require DSHS to meet a Maintenance of Effort (MOE) and state match requirement. HRSA allows the state match to meet the MOE and match requirements. The state match requirement for DSHS is one state dollar for every two federal dollars, and the MOE requires the state maintain HIV-related expenditures at a level equal to the previous year. The consequence of not meeting MOE requirements is not discussed in HRSA guidance, but it could result in a significant loss of federal funds. To meet the requirements, DSHS counts General Revenue for HIV Services Account No. 8005 and HIV-related expenditures made by the Texas Department of Criminal Justice (TDCJ). HRSA allows DSHS to use up to \$1.0 million in HIV-related expenditures to meet MOE requirements after DSHS requested a change in the MOE methodology.

Recommendations for the 2026-27 biennium include a reduction of \$28.9 million in HIV Care Formula Grants compared to the 2024-25 biennium to align with DSHS' projections. Recommendations maintain General Revenue funding for HIV Services Account No. 8005. This will ensure that both the MOE and state matches are met for federal fiscal years 2026 and 2027.

- c. *HIV Prevention Grants.* Recommendations include \$47.6 million in HIV Prevention Grant funds based on DSHS projections, which is a decrease of \$6.7 million from 2024-25 spending levels. The grant can be used for Ending the HIV Epidemic initiatives, which is used to expand innovative approaches to HIV prevention, diagnosis, treatment, and cluster and outbreak response; and HIV

prevention and surveillance projects.

- d. *HIV and Sexually Transmitted Disease (STD) Testing Pilot Program.* DSHS was appropriated \$0.1 million in General Revenue in the 2024-25 biennium for an HIV and STD Testing Pilot program and directed to develop a comprehensive pilot program in Cameron, Harris, Hidalgo, and Travis counties to outsource HIV/STD testing programs for the county health departments and to allow for utilization of alternative HIV/STD testing options, while maintaining applicable Medicaid reimbursements. According to the agency, the program ended on August 31, 2024, and 1,055 tests were distributed. The agency anticipates expending the full amount allocated. **Recommendations include a reduction of \$0.1 million in General Revenue related to discontinuation of the pilot program.**
  - e. *Disease Intervention Services.* Exceptional Item #5, Ensure Access to Regional and Local Public Health Services, includes a request for an additional \$15.0 million in General Revenue funds to maintain 44.0 FTE Disease Intervention Services staff primarily housed in local health departments and DSHS regional offices. Funding for these positions were initially supported through COVID-19 related federal funding. DSHS was awarded \$93.4 million to support Disease Intervention staff from July 1, 2021, through July 31, 2026. However, the Centers for Disease Control and Prevention (CDC) rescinded remaining funds in May of 2023 which decreased funding to \$56.0 million. The CDC allowed for expanded authority to reallocate unspent funds from the first three years until January 31, 2026. **Recommendations do not include funding for Exceptional Item #5.**
6. **Zoonosis Funding.** Recommendations in Strategy A.2.3, Infectious Disease Prevention, Epidemiology, and Surveillance, include \$17.8 million in General Revenue for the Zoonosis Program in 2026-27, which is an \$8.1 million increase from 2024-25 spending levels. The chart below provides a summary of Zoonosis Program funding recommended in 2026-27. Recommendations include \$8.0 million in General Revenue for a Spay and Neuter Pilot Program with a public health focus to reduce the population of cats and dogs at risk for unplanned breeding that may carry infectious diseases.

Expense	Purpose	Amounts (in Millions)			
		Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
Neglected Tropical Disease Grant/Other*	Grants funds to academic institutions to study neglected tropical diseases	\$0.3	\$0.3	\$0.3	\$0.3
Dynamic Aviation Contract	Airplanes for bait drop	\$0.4	\$0.4	\$0.4	\$0.4
Bait Purchase	Bait used for air drop	\$0.9	\$0.9	\$0.9	\$0.9
Oral Rabies Vaccination Program	Airplane gas, travel for bait drop, surveillance, supplies to test and collect samples for post-drop surveillance	\$0.1	\$0.1	\$0.1	\$0.1
Central Office Salaries	Salaries	\$1.0	\$1.1	\$1.1	\$1.1
Regional Salaries	Salaries	\$1.9	\$2.0	\$2.0	\$2.0
Spay and Neuter Pilot Program	Oversee spay and neuter procedures for cats and dogs at risk for unplanned breeding that may carry infectious diseases.	\$0.0	\$0.0	\$4.0	\$4.0
Other	Travel, Rent, Utilities, and other Operating Costs	\$0.1	\$0.1	\$0.1	\$0.1
<b>Total</b>		<b>\$4.8</b>	<b>\$4.9</b>	<b>\$8.9</b>	<b>\$8.9</b>

\* Recommendations include deletion of Rider 15, Emerging and Neglected Tropical Diseases Sentinel Surveillance, which would allow the agency to continue to operate a sentinel surveillance program as required by Health and Safety Code, Chapter 100 without specific required funding allocation.

7. **Texas Center for Infectious Disease.** Recommendations for the 2026-27 biennium include \$36.0 million in General Revenue/General Revenue – Dedicated Funds (\$36.7 million in All Funds) for Strategy A.2.5, Texas Center for Infectious Disease (TCID), reflecting a reduction of \$1.8 million in General Revenue/General Revenue-Dedicated Funds (\$1.5 million in All Funds) from 2024-25 spending levels, which includes a reduction of \$2.3 million in General Revenue in one-time funding provided for certain repairs and renovations at TCID and to purchase related facility equipment. This is partially offset by increases of \$0.6 million in General Revenue to biennialize statewide salary adjustments and \$0.2 million in Other Funds for projected collections in Chest Hospital Fees.

Recommendations do not include DSHS's exceptional items to address additional needs at TCID, including \$6.6 million in General Revenue to address Deferred Maintenance needs such as new water main lines, replacement of covered walkways with asbestos, and replacement of patient control systems and locking system at risk for failure; and \$2.4 million in General Revenue to cover cost increases for medications, medical resources, food, and utilities.

#### 8. **Laboratory Services.**

- a. *Recommendations of FTEs and Funding.* Recommendations include \$57.4 million in General Revenue/General Revenue – Dedicated Funds (\$189.7 million in All Funds) in Strategy A.4.1, Laboratory Services, which represents an increase of \$0.7 million in General Revenue/General Revenue-Dedicated Funds (\$26.3 million in All Funds) from 2024-25 biennial spending levels. Recommendations include a decrease of \$16.6 million in one-time federal COVID-19 funding. This is primarily offset by a \$42.0 million increase in Public Health Medicaid Reimbursements (Other Funds), explained in further detail below.
- b. *Public Health Medicaid Reimbursements Account No. 709.* DSHS is appropriated collected revenue from the Public Health Medicaid Reimbursements Account No. 709 (Account 709) related to newborn screenings. **Recommendations in strategy A.4.1, Laboratory Services include \$130.2 million from Account No 709, which is \$42.0 million above 2024-25 biennial spending levels due to additional and new testing expected in the 2026-27 biennium.** Pursuant to Special Provisions Relating to All Health and Human Services Agencies, Section 14, Limitation: Expenditure and Transfer of Public Health Medicaid Reimbursements (Section 14), a portion of revenue collected in Account 709 (estimated to be \$297.1 million for the 2026-27 biennium) is transferred to the Health and Human Services Commission (HHSC) to fund Medicaid – Non-Full Benefit Payments. Recommendations for HHSC maintain 2024-25 appropriated levels, or \$138.5 million in Account 709, for the 2026-27 biennium.

The 89<sup>th</sup> Legislature could consider a change to how funding is distributed to both DSHS and HHSC from Account 709. DSHS could be appropriated General Revenue for newborn screening operations and testing while all revenue generated from Medicaid reimbursements deposited in Account 709 could be fully allocated to HHSC to fund Medicaid – Non-Full Benefit Payments to offset potential HHSC supplemental funding needs each biennium.

- c. *Newborn Preservation Screening Account.* Pursuant to Special Provisions Section 14, in the event revenue in Account 709 exceeds appropriations at both DSHS and HHSC, the additional revenue is transferred into General Revenue-Dedicated Account No. 5183, Newborn Screening Preservation for the purpose of carrying out additional new tests for the newborn screening program. The Comptroller is required by Health and Safety Code, Section 33.052(b) to transfer unexpended and unencumbered money from Account No. 709 into the Newborn Screening Preservation Account 5183 on November 1 of each fiscal year. **Recommendations amend Special Provisions 14 to no longer require DSHS to submit a finding of fact request to the Comptroller because Health and Safety Code, Section 33.052 already requires the transfer of unexpended and unencumbered funds from Medicaid reimbursements collected by DSHS for newborn screening services.**

DSHS is in the process of adding four disorders to the Newborn Screening Panel: Pompe disease, mucopolysaccharidosis type I (MPS I), mucopolysaccharidosis type II (MPS II), and Krabbe disease, which are expected to be implemented in the middle of 2025. DSHS plans on adding screening for guanidinoacetate methyltransferase (GAMT) following these additions. Funding was provided through a transfer of \$26.8 million into General Revenue-Dedicated Account 5183 based on fiscal year 2022 unexpended and unencumbered funds collected in Account No. 709.

#### 9. **Maternal and Child Health.**

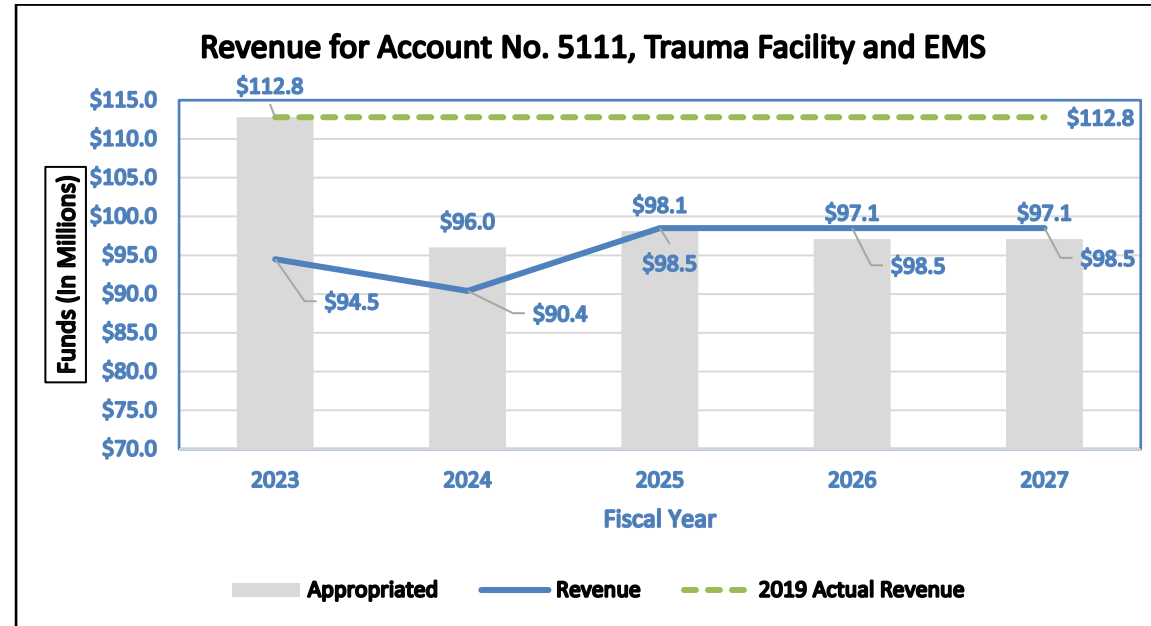
- a. *Recommendations.* Recommendations include \$41.4 million in General Revenue (\$124.0 million in All Funds) for Maternal and Child Health programs in Strategy B.1.1, Maternal and Child Health, which is a decrease of \$7.2 million in General Revenue (\$8.2 million in All Funds) from 2024-25 biennial spending levels primarily due to the reduction of one-time funding provided for the Maternal Mortality Review Information Application (MMRIA) replacement and Maternal Health Quality Improvement System. Title V Maternal and Child Health program develops, disseminates, and implements statewide systems of care for expectant mothers, infants, children, and adolescents focused on reducing maternal mortality and morbidity, reducing infant mortality, reducing maternal and child health disparities, child fatality review and injury prevention, obesity prevention, tobacco prevention prevention and cessation, newborn screening care coordination, newborn hearing



screens, vision, hearing and spinal screening, and many other related initiatives. \$35.5 million is included in Strategy B.1.1 from the Maternal and Health Services Block Grant while other strategies include funding from the grant for a total of \$65.3 million. The grant has a level Maintenance of Effort (MOE) requirement of \$40.2 million per year which is maintained by both DSHS and HHSC jointly. The state must match 75 percent of the grant. The match requirement counts toward the MOE requirement. Recommendations also maintain \$0.8 million in General Revenue and 6.0 FTEs that were also adopted in the 2024-25 biennium to support the MMMRC to facilitate faster data collection, case preparation, and analysis efforts while improving internal and external availability of maternal mortality and morbidity information.

- b. *One-time Funding.* DSHS was appropriated an additional \$5.9 million in General Revenue in the 2024-25 biennium to develop and maintain a state-based replacement for the MMRIA called the Maternal Mortality Review System (MMRS) to support the Maternal Mortality and Morbidity Review Committee (MMMRC). MMRS provides a single data collection environment for case identification, case creation, redaction of personal health and identifying information, case abstraction, case review, process tracking and documentation, and generation of real time reports. In addition, DSHS was appropriated an additional \$5.0 million in General Revenue in the 2024-25 biennium for a Maternal Child Health Quality Improvement System (MCHQIS) to obtain faster hospital discharge data, provide more comprehensive data analysis, and to attain more timely and usable data metrics. Recommendations for the 2026-27 biennium include a reduction of \$6.4 million in General Revenue associated with one-time implementation costs for the projects. Recommendations maintain \$0.9 million in General Revenue for ongoing costs related to MMRS and \$3.6 million in General Revenue for ongoing costs related to MCHQIS.
- c. *Additional Maternal and Child Health Efforts for 2026-27.* Recommendations do not fund Exceptional Item #8, Increase the Timeliness and Quality of Maternal and Child Health Data, which includes \$9.9 million General Revenue to expand capabilities of MMRS and MCHQIS to ensure linkages between these existing Maternal Child Health systems and the State Health Analytics Reporting Platform (SHARP). SHARP is a digital platform solution that brings DSHS data from various program areas into a common repository for more sophisticated analysis and reporting. Recommendations do not include funding but do reflect the 7.0/7.0 FTEs requested to support the Exceptional Item.
- d. *Joint Biennial Report for 2024:* As required by Texas Health and Safety Code, Section 34.015, the MMMRC and DSHS Joint Biennial Report 2024 was published on September 1, 2024. The report includes findings and recommendations to reduce the incidence of pregnancy-related death and maternal morbidity related to its review of 2020 cases.

10. **General Revenue – Dedicated Account No. 5111, Trauma Facility and EMS.** Recommendations for the 2026-27 biennium include \$194.2 million in General Revenue – Dedicated Account No. 5111 (Account 5111), Trauma Facility and EMS, in Strategy B.2.1, EMS and Trauma Care Systems.



Source: Department of State Health Services

- a. *Account 5111 Revenue.* Passage of both House Bill 2048, Eighty-sixth Legislature, Regular Session, 2019 and House Bill 1631, Eighty-sixth Legislature, Regular Session, 2019 impacted the draw down and use of Account 5111. House Bill 2048 repealed the Driver Responsibility Program (DRP), which previously provided revenue for Account 5111, and provided replacement funding by increasing the state traffic fine, adding fines for convictions of driving while intoxicated, and raising a motor vehicle insurance fee. House Bill 1631 repealed the ability of local jurisdictions to use red light cameras, which resulted in a reduction in revenue. The new revenue provided in House Bill 2048 was meant to fully offset the revenue loss to Account 5111, but revenue has decreased after its passage. Recommendations are based on estimated revenue of \$98.5 million in Account 5111 in each fiscal year. Revenue collections and appropriations in the account are reflected in the figure above.
- b. *Account 5111 Allocations.* The passage of House Bill 2048, Eighty-Sixth Legislature, Regular Session, 2019 changed allocations of funds from Account 5111. Starting in fiscal year 2020, after setting aside an extraordinary emergencies reserve of \$0.5 million, revenue must be allocated as follows:
  - at least 94.0 percent of the appropriated funding is directed to be used for uncompensated trauma care;
  - 3.0 percent is for Emergency Medical Services (EMS) providers;
  - 2.0 percent is for Regional Advisory Committees (RACs); and
  - and no more than 1.0 percent can be used for DSHS administration.

Statute, however, still allows the account to fund provider reimbursement payments in Medicaid and to the Higher Education Coordinating Board for graduate medical education and nursing education programs.

Historically, the legislature has appropriated funds from Account 5111 via interagency contract from DSHS to the Health and Human Services Commission (HHSC) for provider reimbursement payments in Medicaid to maximize the receipt of federal funds under Medicaid as permitted by statute. These appropriations are reflected in both current Special Provisions Relating to All Health and Human Services Agencies, Section 15, Use of Trauma Fund Receipts, and HHSC Rider 8, Hospital Payments, 2026-27 General Appropriations Act (GAA), for trauma care add-on payments and safety-net hospital add-on payments. DSHS calculates the allocations based on the full amount of Account 5111 retained at DSHS and a portion of funds transferred to HHSC. Pursuant to Special Provisions, Section 15, if funds are not available to support appropriated levels, the amounts at HHSC allocated as an interagency contract are reduced and replaced with an equal amount of General Revenue. The table below shows total Account 5111 appropriations and allocations from DSHS for the 2020-21 biennium through 2026-27 recommendations.

**Historical and Recommended Appropriations of General Revenue-Dedicated Account No. 5111**

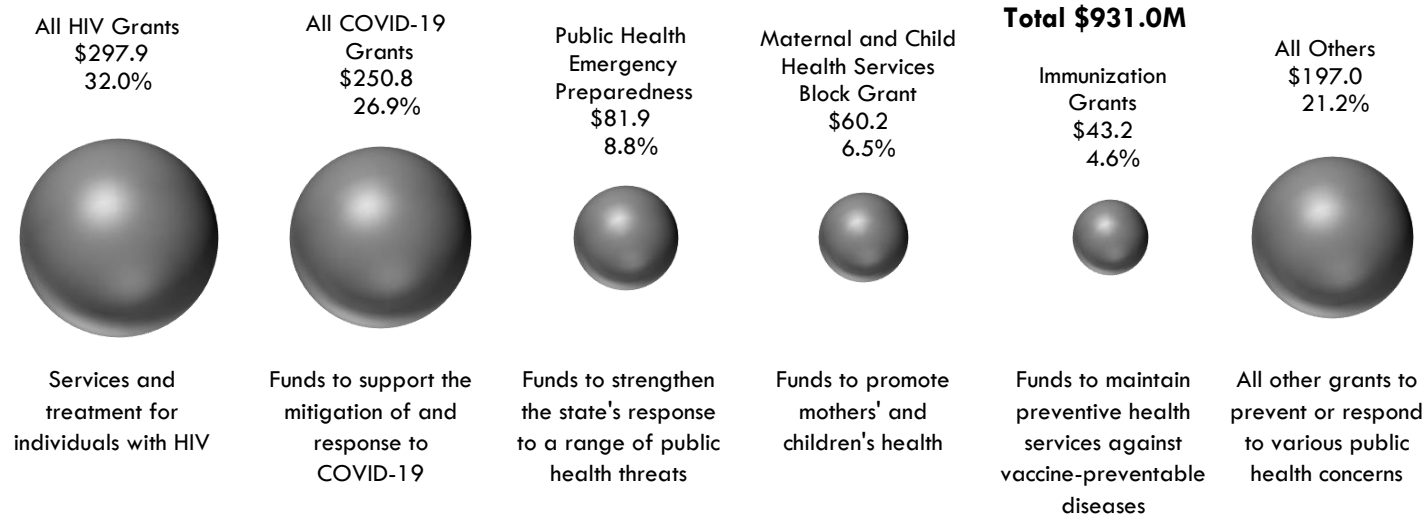
Purpose	2020-21	2022-23	2024-25	2026-27
<b>Total Transfer to HHSC</b>	<b>\$200,942,948</b>	<b>\$197,957,174</b>	<b>\$166,450,848</b>	<b>\$166,573,837</b>
<b>Total Retained by DSHS</b>	<b>\$29,102,452</b>	<b>\$27,647,330</b>	<b>\$27,647,330</b>	<b>\$26,647,330</b>
EMS Providers	\$4,961,114	\$4,827,887	\$5,792,946	\$5,796,639
RACs	\$3,307,409	\$3,218,591	\$3,861,964	\$3,864,424
Administration	\$1,653,705	\$1,609,296	\$1,930,982	\$1,932,212
Remainder at DSHS (Reserve and Uncompensated Trauma Care)	\$19,180,225	\$17,991,557	\$15,061,438	\$15,054,059
<b>Total Account 5111 Appropriations</b>	<b>\$230,045,400</b>	<b>\$225,604,504</b>	<b>\$194,098,178</b>	<b>\$194,221,167</b>

11. **Federally Qualified Health Centers.** Senate Bill 30, Section 3.06, Eighty-eighth Legislature, Regular Session, 2023, appropriated \$40.0 million in General Revenue to support the Federally Qualified Health Centers (FQHC) Incubator Program in Strategy B.2.2, Texas Primary Care Office. The FQHC Incubator Program was established through \$20.0 million in COVID-19 related funding in Senate Bill 8, Eighty-seventh Legislature, Third-Called Session, 2021, for eligible non-profit community-based health care provider organizations (FQHCs and FQHC Look-Alikes) which serve low income and medically underserved areas regardless of ability to pay. Senate Bill 30 funding expanded available health care services and to assist non-profit health centers that provide primary care to become FQHCs or FQHC Look-Alikes. Eligible uses include technical assistance, organizational development activities, captial improvement projects and salary support for new positions. Eligible uses depend on the type of organization applying and for specific needs. Recommendations maintain \$40.0 million in General Revenue for the FQHC Program in the 2026-27 biennium.
12. **Capital Budget.**
  - a. *Capital Authority.* Notwithstanding the limitations of Article IX, Section 14.03, Transfers – Capital Budget, the Department of State Health Services (DSHS) is authorized to transfer from a non-capital budget item to an existing capital budget item or new capital budget item not in the agency’s bill pattern if implementation of a new project or expansion of an existing project is 100 percent federally funded and after submitting notification to the State Auditor’s Office, Comptroller of Public Accounts, Legislative Budget Board, and the Governor.
  - b. *Completed Projects.* In the 2026-27 biennium the agency is projecting to expend an estimated \$142.7 million in All Funds to complete multiple capital projects. The table below reflects the estimated 2026-27 recommended biennial General Revenue, and All Funds amounts. Totals may not sum due to rounding.

Capital Project Name	2026-27 General Revenue/ General Revenue - Dedicated (In Millions)	2026-27 All Funds (In Millions)
Laboratory Repair and Renovation	\$0.0	\$1.5
Texas Center for Infectious Disease (TCID) Repair and Renovation	\$0.9	\$0.9
Vital Statistics Section (VSS) Repair and Renovation	\$1.0	\$1.0
IT Accessibility	\$2.2	\$2.2
Seat Management	\$3.1	\$5.5
Texas STD/TB/HIV/AIDS Reporting and Response System (STHARRS) Enhancements	\$0.0	\$4.1
TX Enhancement of National Electronic Disease Surveillance System (NEDSS)	\$0.0	\$3.3
Texas Electronic Vital Events Registration (TxEVER) Order Fulfillment Enhancement	\$1.0	\$1.0
Newborn Screening (NBS) Clinical Care Coordination	\$0.0	\$12.6
Data Center Consolidation	\$77.3	\$90.4
Cyber Security	\$1.7	\$1.7
IT Security	\$6.1	\$6.1
Miscellaneous Lab Equipment	\$0.0	\$12.6
<b>Total</b>	<b>\$93.1</b>	<b>\$142.7</b>

- c. *Data Center Services.* **Recommendations include an increase in funding for Data Center Services (DCS), which increases the amount for the Data Center Consolidation project by \$15.4 million in General Revenue (\$25.1 million in All Funds), to address continued services that exceed the data center capital budget.** The Department of Information Resources (DIR) provides data center services such as disaster recovery, private and public cloud server and data storage management, and data center bulk print/mail. The total amount for the Data Center Consolidation project is \$77.3 million in General Revenue/General Revenue-Dedicated Funds (\$90.4 million in All Funds) for DCS in 2026-27.

**Department of State Health Services**  
 Summary of Federal Funds (2026-27) - Senate

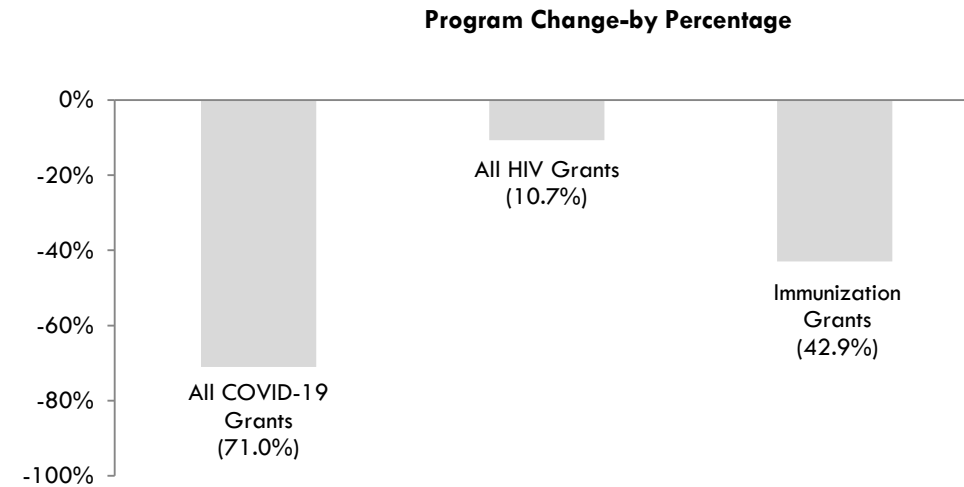
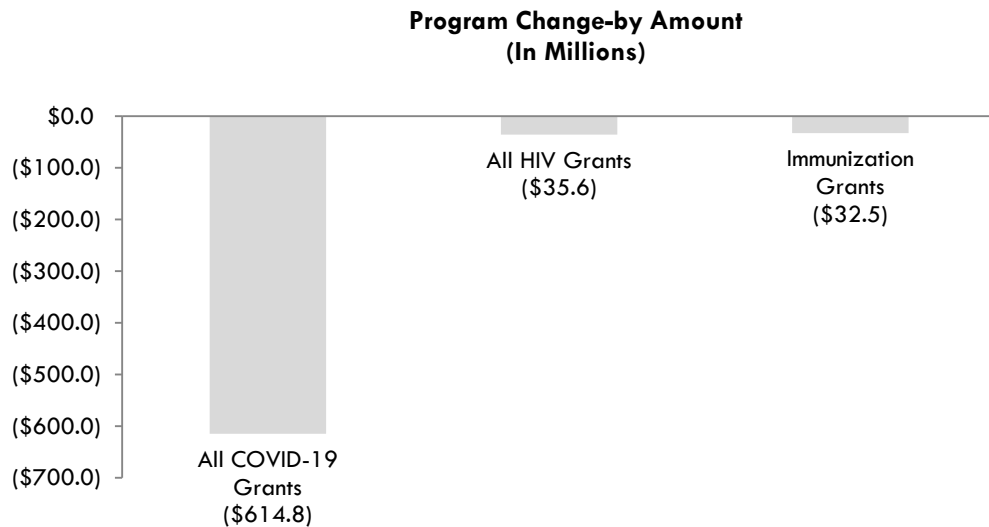


**Selected Federal Fiscal and Policy Issues**

Recommendations for the 2026-27 biennium decrease Federal Funds by 42.7 percent (\$694.6 million) from 2024-25. This is largely attributable to a decrease in one-time COVID-19 funding (\$614.8 million) compared to the prior biennium.

The reduction in immunization grants reflects the end of one-time supplemental funding of approximately \$30 million in the prior biennium. HIV grants similarly saw an increase in federal awards in 2024-25 which have since leveled.

Programs with Significant Federal Funding Changes from 2024-25



**Department of State Health Services  
Rider Highlights - Senate**

**Modification of Existing Riders (new rider number)**

10. **Other Reporting Requirements.** Recommendations remove Monthly Financial Reports language to be modified and relocated to Special Provisions Relating to All Health and Human Services Agencies and change the fee schedules reporting deadline from January 1 of each year of the biennium to January 31 of each year of the biennium to allow agency to include finalized data from previous year.
19. **Maternal Mortality and Morbidity.** Recommendations amend language to clarify ongoing requirements related to high-risk maternal care coordination services pilot for women of childbearing age.
27. **Alzheimer's Disease Program.** Recommendations maintain required funding amounts for the Alzheimer's Disease Program but remove specific guidance for funding.
28. **Hemp Regulation.** Recommendations increase estimated appropriations and remove additional FTE authority.
29. **Department of State Health Services and Department of Information Resources: Vital Statistics Revenue.** Recommendations maintain reporting requirement while removing already implemented direction regarding agreement between both agencies.
30. **Emergency Preparedness/Patient Communication and Logistics Platform.** Recommendations remove one-time pilot program language.

The following riders include recommendations to remove obsolete language, make conforming changes such as updating fiscal years and amounts to reflect funding recommendations, and clarify deadlines: Rider 2, Capital Budget; Rider 3, Appropriations Limited to Revenue Collections; Rider 5, Texas.Gov Authority Appropriations; Rider 6, Collection of Emergency Room Data; Rider 7, Appropriation: Contingent Revenue; Rider 8, Estimated Appropriations: Perpetual Care Account; Rider 9, Limitation: Transfer Authority; Rider 13, School Cafeteria Inspections; Rider 17, HIV Vendor Drug Rebates; Rider 18, Permanent Hospital Fund; Rider 22, Texas HIV Medication Program; Rider 23, Emergency Medical Task Force; Rider 24, Hospital Care Information Funding; Rider 25, Report on Federal Public Health Funding to Local Entities; and Rider 26, Unexpended Balances Authority: Texas Center for Nursing Workforce Studies Funding.

**New Riders**

32. **Spay and Neuter Pilot Program – Public Health Focus.** Recommendations add rider to fund a pilot program to spay and neuter cats and dogs to protect human health.

**Deleted Riders (original rider number)**

15. **Emerging and Neglected Tropical Diseases Sentinel Surveillance.** Recommendations delete rider as statute already requires agency to operate a sentinel surveillance program.
20. **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.
23. **Transfer from the Cancer Prevention and Research Institute of Texas for the Cancer Registry.** Recommendations delete rider as funding is provided through General Revenue instead of transfer from the Cancer Prevention and Research Institute of Texas.

27. **HIV Care Formula Grants.** Recommendations delete rider as reporting directed can continued to be monitored through other reporting requirements.
35. **Strategic National Stockpile for Health Emergency Preparedness and Response.** Recommendations delete rider as it is duplicative of requirements under federal law.
37. **Maternal Health Quality Improvement System and Maternal Mortality Review Information Application (MMRIA) Replacement.** Recommendations delete rider as systems outlined have been initiated and ongoing funding is maintained.
38. **Federal Funds Reporting Requirement.** Recommendations delete rider as reporting directed can continued to be monitored through other reporting requirements.
39. **Rio Grande Valley Facilities and Services.** Recommendations delete rider as guidance is one-time.
40. **COVID-19 Vaccinations.** Recommendations delete rider as agency no longer advertises or promotes COVID-19 vaccinations.
41. **HIV and Sexually Transmitted Disease Testing Pilot Program.** Recommendations delete rider for one-time pilot program.

**Department of State Health Services  
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)	Meet Increased Costs for Current Agency Operations	\$7,434,999	\$7,434,999	0.0	Yes	Yes	\$9,159,782
2)	Maintain Agency Infrastructure that Serves Texans and Communities	\$22,276,504	\$22,276,504	2.0	Yes	Yes	\$9,963,956
3)	Expand Laboratory Capacity and Capability to Detect Risks to Health and Safety	\$328,332,698	\$334,889,800	38.0	No	Yes	\$6,694,538
4)	Improve Child Mortality and Morbidity due to Congenital Syphilis	\$13,263,525	\$13,263,525	25.0	Yes	Yes	\$12,020,972
5)	Ensure Access to Regional and Local Public Health Services	\$55,243,598	\$72,040,644	82.0	No	Yes	\$73,063,582
6)	Support Growth in Texas Industries and Career Entry	\$14,604,549	\$14,604,549	17.0	No	No	\$15,580,546
7)	Reduce the Impacts of Tobacco-Related Cancers	\$2,750,000	\$2,750,000	0.0	No	Yes	\$2,750,000
8)	Increase the Timeliness and Quality of Maternal and Child Health Data	\$11,506,398	\$11,506,398	8.0	Yes	Yes	\$5,354,206
9)	Registry Automation System Replacement	\$14,573,634	\$14,573,634	7.0	Yes	Yes	\$5,351,084

**Agency Rider Requests Not Included**

1)	<b>Unexpended Balances: Emergency Medical Services Extraordinary Emergencies Allocation</b> Request new rider to allow for unexpended balance authority from extraordinary emergencies funds from GR-D Account No. 5111, Designated Trauma Facility and EMS.	\$0	\$0	0.0	No	No	\$0
2)	<b>Unexpended Balance Authority.</b> Request new rider to allow for unexpended balance authority across all agency appropriations.	\$0	\$0	0.0	No	No	\$0

<b>TOTAL Items Not Included in Recommendations</b>	<b>\$469,985,905</b>	<b>\$493,340,053</b>	<b>179.0</b>		<b>\$139,938,666</b>
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**Department of State Health Services  
Appendices - Senate**

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**State Health Services  
Funding Changes and Recommendations by Strategy - Senate -- Supplemental**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
<b>PUBLIC HEALTH PREP. &amp; COORD. SVCS A.1.1</b>	<b>\$360,411,968</b>	<b>\$297,494,236</b>	<b>(\$62,917,732)</b>	<b>(17.5%)</b>	
GENERAL REVENUE FUNDS	\$87,082,400	\$62,942,970	(\$24,139,430)	(27.7%)	Recommendations reflect: -an increase of \$0.4 million in funding to biennialize the state-wide salary adjustments included in the 2024-25 appropriations (See Selected Fiscal and Policy Issue #3); -a decrease of \$23.5 million attributable to funds transferred to this strategy in FY 2024 for Hurricane Beryl Response; and -a decrease of \$1.0 million attributable to funds transferred to this strategy in FY 2024 for Wildfire Response.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$273,329,568	\$234,551,266	(\$38,778,302)	(14.2%)	Recommendations reflect adjustments across various grants including: -an increase of \$15.4 million in COVID-19 related PH Infrastructure Grant award; -a decrease of \$36.1 million in COVID-19 related Public Health Emergency Response: Cooperative Agreement for Emergency Response award; -a decrease of \$10.4 million to align non-COVID-19 federal funding to award amounts; and -a decrease of \$7.7 million in COVID-19 Public Assistance Grants award. (See Selected Fiscal and Policy Issue #1)
OTHER FUNDS	\$0	\$0	\$0	0.0%	
<b>VITAL STATISTICS A.1.2</b>	<b>\$66,513,403</b>	<b>\$61,635,486</b>	<b>(\$4,877,917)</b>	<b>(7.3%)</b>	
GENERAL REVENUE FUNDS	\$997,176	\$1,180,296	\$183,120	18.4%	Recommendations reflect biennialization of FY 2024-25 salary adjustments.
GR DEDICATED	\$24,485,068	\$18,668,856	(\$5,816,212)	(23.8%)	Recommendations reflect: -an increase of \$0.3 million in funding to biennialize the state-wide salary adjustments included in the 2024-25 appropriations. (See Selected Fiscal and Policy Issue #3); and -a decrease of \$6.1 million to realign Account No. 19, Vital Statistics with projected revenue.
FEDERAL FUNDS	\$0	\$0	\$0	0.0%	

**State Health Services  
Funding Changes and Recommendations by Strategy - Senate -- Supplemental**

<b>Strategy/Fund Type/Goal</b>	<b>2024-25 Base</b>	<b>2026-27 Recommended</b>	<b>Biennial Change</b>	<b>% Change</b>	<b>Comments</b>
OTHER FUNDS	\$41,031,159	\$41,786,334	\$755,175	1.8%	Recommendations reflect increases in appropriated receipts and Interagency Cooperation Contract (IAC) Collections.
<b>HEALTH REGISTRIES A.1.3</b>	<b>\$31,449,275</b>	<b>\$33,230,740</b>	<b>\$1,781,465</b>	<b>5.7%</b>	
GENERAL REVENUE FUNDS	\$9,472,670	\$15,478,446	\$6,005,776	63.4%	Recommendations reflect: -an increase of \$5.4 million to remove an IAC transfer of General Obligation Bonds from Cancer Prevention and Research Institute (CPRIT) for administration of the cancer registry and fund directly with General Revenue; -an increase of \$0.2 million for the CPRIT transfer for salary increases and operating costs (See Selected Fiscal and Policy Issue #4); and -an increase of \$0.4 million to biennialize the state-wide salary adjustments included in the 2024-25 appropriations. (See Selected Fiscal and Policy Issue #3)
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$14,734,137	\$15,643,428	\$909,291	6.2%	Recommendations reflect an increase across various federal grants including an increase of \$0.7 million from the Maternal and Child Health Services Blocks Grants to the States.
OTHER FUNDS	\$7,242,468	\$2,108,866	(\$5,133,602)	(70.9%)	Recommendations reflect: -an increase of \$0.5 million in Appropriated Receipts and IAC Collections; -a decrease of \$5.4 million to remove an IAC transfer of General Obligation Bonds from Cancer Prevention and Research Institute (CPRIT) for administration of the cancer registry; and -a decrease of \$0.2 million for the CPRIT transfer for salary increases and operating costs. (See Selected Fiscal and Policy Issue #3)
<b>BORDER HEALTH AND COLONIAS A.1.4</b>	<b>\$4,422,754</b>	<b>\$4,622,975</b>	<b>\$200,221</b>	<b>4.5%</b>	

**State Health Services  
Funding Changes and Recommendations by Strategy - Senate -- Supplemental**

<b>Strategy/Fund Type/Goal</b>	<b>2024-25 Base</b>	<b>2026-27 Recommended</b>	<b>Biennial Change</b>	<b>% Change</b>	<b>Comments</b>
GENERAL REVENUE FUNDS	\$2,595,297	\$2,658,487	\$63,190	2.4%	Recommendations increase funding to biennialize the state-wide salary adjustments included in the 2024-25 appropriations. (See Selected Fiscal and Policy Issue #3)
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$1,314,332	\$1,451,962	\$137,630	10.5%	Recommendations reflect an increase of \$0.1 million to align with estimated State Administrative Match SNAP award.
OTHER FUNDS	\$513,125	\$512,526	(\$599)	(0.1%)	Recommendations reflect a decrease in IAC Collections.
<b>HEALTH DATA AND STATISTICS A.1.5</b>	<b>\$30,174,488</b>	<b>\$17,283,889</b>	<b>(\$12,890,599)</b>	<b>(42.7%)</b>	
GENERAL REVENUE FUNDS	\$4,422,195	\$4,543,315	\$121,120	2.7%	Recommendations increase funding to biennialize the state-wide salary adjustments included in the 2024-25 appropriations.
GR DEDICATED	\$2,449,682	\$2,493,898	\$44,216	1.8%	Recommendations increase funding to biennialize the state-wide salary adjustments included in the 2024-25 appropriations.
FEDERAL FUNDS	\$20,372,554	\$7,285,712	(\$13,086,842)	(64.2%)	Recommendations reflect a decrease across various federal grants including a decrease of \$12.8 million attributable to estimated COVID-19 Support State Health Department Response to Public Health Crisis award. (See Selected Fiscal and Policy Issue #1)
OTHER FUNDS	\$2,930,057	\$2,960,964	\$30,907	1.1%	Recommendations reflect adjustments in Appropriated Receipts and IAC Collections.
<b>IMMUNIZE CHILDREN &amp; ADULTS IN TEXAS A.2.1</b>	<b>\$410,772,783</b>	<b>\$163,745,313</b>	<b>(\$247,027,470)</b>	<b>(60.1%)</b>	
GENERAL REVENUE FUNDS	\$56,902,553	\$58,594,859	\$1,692,306	3.0%	Recommendations reflect: -an increase of \$1.0 million for replacement of federal funding appropriated for Modern Infrastructure for Public Health Datasets exceptional item; and - an increase of \$0.6 million in funding to biennialize the state-wide salary adjustments included in the 2024-25 appropriations. (See Selected Fiscal and Policy Issue #3)
GR DEDICATED	\$6,675,554	\$6,675,554	\$0	0.0%	

**State Health Services  
Funding Changes and Recommendations by Strategy - Senate -- Supplemental**

<b>Strategy/Fund Type/Goal</b>	<b>2024-25 Base</b>	<b>2026-27 Recommended</b>	<b>Biennial Change</b>	<b>% Change</b>	<b>Comments</b>
FEDERAL FUNDS	\$288,448,980	\$39,729,204	(\$248,719,776)	(86.2%)	Recommendations reflect: -a decrease of \$216.2 million in COVID-19 Immunization Grants; and -a decrease of \$32.5 million in non-COVID-19 Immunization Grants. (See Selected Fiscal and Policy Issue #1)
OTHER FUNDS	\$58,745,696	\$58,745,696	\$0	0.0%	
<b>HIV/STD PREVENTION A.2.2</b>	<b>\$548,164,514</b>	<b>\$452,897,629</b>	<b>(\$95,266,885)</b>	<b>(17.4%)</b>	
GENERAL REVENUE FUNDS	\$129,836,627	\$133,814,275	\$3,977,648	3.1%	Recommendations reflect: - an increase of \$3.5 million attributable to funds transferred from this strategy to strategy A.1.1, Public Health Preparedness and Coordinated Services, in FY 2024 for Hurricane Beryl Response; - an increase of \$0.6 million in funding to biennialize the state-wide salary adjustments included in the 2024-25 appropriations (See Selected Fiscal and Policy Issue #3); and -a decrease of \$0.1 million to remove one-time funding appropriated for and HIV and Sexually Transmitted Disease (STD) Testing Pilot Program.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$364,381,498	\$311,095,450	(\$53,286,048)	(14.6%)	Recommendations reflect adjustments across various federal grants including: -an increase of \$10.9 million in HIV Prevention Activities-Health Department Based Award; -a decrease of \$29.3 million in HIV Care Formula Grants award; -a decrease of \$19.4 million in COVID-19 Preventative Health-STD Control Grants (See Selected Fiscal and Policy Issue #1); and -a decrease of \$16.8 million in HIV Prevention Program, Category A: HIV Prevention Core Award.

**State Health Services**  
**Funding Changes and Recommendations by Strategy - Senate -- Supplemental**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
OTHER FUNDS	\$53,946,389	\$7,987,904	(\$45,958,485)	(85.2%)	Recommendations reflect: -a decrease of \$45.8 million in estimated HIV rebates (See Selected Fiscal and Policy Issue #6); and -a decrease of \$0.1 million in Appropriated Receipts.
<b>INFECTIOUS DISEASE PREV/EPI/SURV A.2.3</b>	<b>\$457,470,949</b>	<b>\$175,542,766</b>	<b>(\$281,928,183)</b>	<b>(61.6%)</b>	
GENERAL REVENUE FUNDS	\$36,140,721	\$57,938,236	\$21,797,515	60.3%	Recommendations reflect: -an increase of \$8.0 million for a Spay and Neuteur Pilot Program; -an increase of \$11.7 million to replace COVID-19 federal funding appropriated for Modern Infrastructure for Public Health Datasets project (See Selected Fiscal and Policy Issue #1); -an increase of \$1.8 million attributable to funds transferred from this strategy to strategy A.1.1, Public Health Preparedness and Coordinated Services, in FY 2024 for Hurricane Beryl Response; and - an increase of \$0.3 million in funding to biennialize the state-wide salary adjustments included in the 2024-25 appropriations. (See Selected Fiscal and Policy Issue #3)
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$420,622,028	\$116,896,330	(\$303,725,698)	(72.2%)	Recommendations reflect: -a decrease of \$301.9 million in COVID-19 Epidemiology and Lab Capacity award; and -a decrease of \$1.8 million in non-COVID-19 Epidemiology and Lab Capacity award. (See Selected Fiscal and Policy Issue #1)
OTHER FUNDS	\$708,200	\$708,200	\$0	0.0%	
<b>TB SURVEILLANCE &amp; PREVENTION A.2.4</b>	<b>\$67,084,250</b>	<b>\$65,825,997</b>	<b>(\$1,258,253)</b>	<b>(1.9%)</b>	

**State Health Services  
Funding Changes and Recommendations by Strategy - Senate -- Supplemental**

<b>Strategy/Fund Type/Goal</b>	<b>2024-25 Base</b>	<b>2026-27 Recommended</b>	<b>Biennial Change</b>	<b>% Change</b>	<b>Comments</b>
GENERAL REVENUE FUNDS	\$51,149,889	\$51,826,279	\$676,390	1.3%	Recommendations reflect: -an increase of \$0.7 million in funding to biennialize the state-wide salary adjustments included in the 2024-25 appropriations; and -an increase of less than \$0.1 million attributable to funds transferred from this strategy to strategy A.1.1, Public Health Preparedness and Coordinated Services, in FY 2024 for Hurricane Beryl Response.
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$14,896,237	\$13,163,954	(\$1,732,283)	(11.6%)	Recommendations reflect a decrease of \$1.7 million in Project and Cooperative Agreements for Tuberculosis Control Award.
OTHER FUNDS	\$1,038,124	\$835,764	(\$202,360)	(19.5%)	Recommendations reflect less than \$0.1 million in funding to biennialize the state-wide salary adjustments include in the 2024-25 appropriations. (See Selected Fiscal and Policy Issue #3) Recommendations reflect a decrease of \$0.2 million in Appropriated Receipts.
<b>TX CENTER FOR INFECTIOUS DISEASE A.2.5</b>	<b>\$38,248,288</b>	<b>\$36,717,506</b>	<b>(\$1,530,782)</b>	<b>(4.0%)</b>	
GENERAL REVENUE FUNDS	\$35,991,120	\$34,239,286	(\$1,751,834)	(4.9%)	Recommendations reflect: -an increase of \$0.6 million in funding to biennialize the state-wide salary adjustments included in the 2024-25 appropriations; and -a decrease of \$2.3 million in one-time capital funding appropriated in 2024-25 for the Texas Center for Infectious Disease. (See Selected Fiscal and Policy Issue #7)
GR DEDICATED	\$1,766,000	\$1,766,000	\$0	0.0%	
FEDERAL FUNDS	\$0	\$0	\$0	0.0%	
OTHER FUNDS	\$491,168	\$712,220	\$221,052	45.0%	Recommendations reflect an increase of \$0.2 million to align appropriations with estimated Chest Hospital Fees collections.
<b>CHRONIC DISEASE PREVENTION A.3.1</b>	<b>\$32,430,297</b>	<b>\$32,366,915</b>	<b>(\$63,382)</b>	<b>(0.2%)</b>	

**State Health Services  
Funding Changes and Recommendations by Strategy - Senate -- Supplemental**

<b>Strategy/Fund Type/Goal</b>	<b>2024-25 Base</b>	<b>2026-27 Recommended</b>	<b>Biennial Change</b>	<b>% Change</b>	<b>Comments</b>
GENERAL REVENUE FUNDS	\$12,491,735	\$12,599,261	\$107,526	0.9%	Recommendations increase funding by \$0.1 million to biennialize the state-wide salary adjustments included in the 2024-25 appropriations. (See Selected Fiscal and Policy Issue #3)
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$19,926,562	\$19,755,654	(\$170,908)	(0.9%)	Recommendations reflect adjustments across various federal grants.
OTHER FUNDS	\$12,000	\$12,000	\$0	0.0%	
<b>REDUCE USE OF TOBACCO PRODUCTS A.3.2</b>	<b>\$18,256,371</b>	<b>\$18,242,190</b>	<b>(\$14,181)</b>	<b>(0.1%)</b>	
GENERAL REVENUE FUNDS	\$12,139,334	\$12,156,784	\$17,450	0.1%	Recommendations increase funding to biennialize the state-wide salary adjustments included in the 2024-25 appropriations. (See Selected Fiscal and Policy Issue #3)
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$5,593,762	\$6,085,406	\$491,644	8.8%	Recommendations reflect an increase in estimated National and State Tobacco Control Program funds.
OTHER FUNDS	\$523,275	\$0	(\$523,275)	(100.0%)	Recommendations reflect a decrease in estimated IAC collections.
<b>LABORATORY SERVICES A.4.1</b>	<b>\$163,446,449</b>	<b>\$189,726,715</b>	<b>\$26,280,266</b>	<b>16.1%</b>	
GENERAL REVENUE FUNDS	\$5,636,807	\$6,249,889	\$613,082	10.9%	Recommendations increase funding by \$0.6 million to biennialize the state-wide salary adjustments included in the 2024-25 appropriations. (See Selected Fiscal and Policy Issue #3)



**State Health Services  
Funding Changes and Recommendations by Strategy - Senate -- Supplemental**

<b>Strategy/Fund Type/Goal</b>	<b>2024-25 Base</b>	<b>2026-27 Recommended</b>	<b>Biennial Change</b>	<b>% Change</b>	<b>Comments</b>
GR DEDICATED	\$51,063,970	\$51,190,977	\$127,007	0.2%	Recommendations reflect the following adjustments: -increase of \$6.1 million increase to align appropriations with estimated Public Health Services fee revenue increase; -increase of \$0.6 million in funding to biennialize the state-wide salary adjustments included in the 2024-25 appropriations; -decrease of \$4.1 million in one-time funding from the Newborn Screening Preservation Account; and -decrease of \$2.4 million in one-time funding in SB 30, Eighty-eighth Legislature, Regular Session, 2023 for laboratory building repair.
FEDERAL FUNDS	\$18,382,360	\$1,888,328	(\$16,494,032)	(89.7%)	Recommendations reflect adjustments across various federal sources including a decrease of \$16.6 million in SB8, 87th Leg, 3rd Called Session funding for Rio Grande Valley.
OTHER FUNDS	\$88,363,312	\$130,397,521	\$42,034,209	47.6%	Recommendations reflect an increase of \$42.0 million in estimated Public Health Medicaid Reimbursement. (See Selected Fiscal and Policy Issue #8)
<b>Total, Goal A, PREPAREDNESS AND PREVENTION</b>	<b>\$2,228,845,789</b>	<b>\$1,549,332,357</b>	<b>(\$679,513,432)</b>	<b>(30.5%)</b>	
GENERAL REVENUE FUNDS	\$444,858,524	\$454,222,383	\$9,363,859	2.1%	
GR DEDICATED	\$86,440,274	\$80,795,285	(\$5,644,989)	(6.5%)	
FEDERAL FUNDS	\$1,442,002,018	\$767,546,694	(\$674,455,324)	(46.8%)	
OTHER FUNDS	\$255,544,973	\$246,767,995	(\$8,776,978)	(3.4%)	
<b>MATERNAL AND CHILD HEALTH B.1.1</b>	<b>\$132,198,037</b>	<b>\$123,989,770</b>	<b>(\$8,208,267)</b>	<b>(6.2%)</b>	

**State Health Services  
Funding Changes and Recommendations by Strategy - Senate -- Supplemental**

<b>Strategy/Fund Type/Goal</b>	<b>2024-25 Base</b>	<b>2026-27 Recommended</b>	<b>Biennial Change</b>	<b>% Change</b>	<b>Comments</b>
GENERAL REVENUE FUNDS	\$48,649,225	\$41,439,048	(\$7,210,177)	(14.8%)	Recommendations reflect: -an increase of \$1.3 million in funding to biennialize the state-wide salary adjustments included in the 2024-25 appropriations (See Selected Fiscal and Policy Issue #3); -a decrease of \$5.0 million in one-time funding appropriated in 2024-25 for implementation of Maternal Mortality Review Information Application (MMRIA) Replacement; - a decrease of \$2.1 million in to realign General Revenue funding for ongoing DCS costs related to MMRIA Replacement and Maternal Health Quality Improvement System; and -a decrease of \$1.4 million in one-time funding appropriated in 2024-25 for implementation of the Maternal Health Quality Improvement System. (See Strategy D.1.1) (See Selected Fiscal and Policy Issue #9)
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$69,725,652	\$68,727,562	(\$998,090)	(1.4%)	Recommendations reflect adjustments across various federal grants including a decrease of \$0.6 million in Preventing Maternal Deaths award.
OTHER FUNDS	\$13,823,160	\$13,823,160	\$0	0.0%	
<b>CHILDREN WITH SPECIAL NEEDS B.1.2</b>	<b>\$23,984,150</b>	<b>\$24,447,650</b>	<b>\$463,500</b>	<b>1.9%</b>	
GENERAL REVENUE FUNDS	\$11,786,166	\$12,058,392	\$272,226	2.3%	Recommendations reflect an increase of \$0.3 million in funding to biennialize the state-wide salary adjustments included in the 2024-25 appropriations. (See Selected Fiscal and Policy Issue #3)
GR DEDICATED	\$0	\$0	\$0	0.0%	
FEDERAL FUNDS	\$12,197,984	\$12,389,258	\$191,274	1.6%	Recommendations reflect an increase of \$0.2 million in Maternal and Child Health Services Block Grants to the States award.
OTHER FUNDS	\$0	\$0	\$0	0.0%	
<b>EMS AND TRAUMA CARE SYSTEMS B.2.1</b>	<b>\$228,953,663</b>	<b>\$227,744,523</b>	<b>(\$1,209,140)</b>	<b>(0.5%)</b>	

**State Health Services  
Funding Changes and Recommendations by Strategy - Senate -- Supplemental**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
GENERAL REVENUE FUNDS	\$16,070,292	\$16,162,190	\$91,898	0.6%	Recommendations reflect an increase in funding to biennialize the state-wide salary adjustments included in the 2024-25 appropriations. (See Selected Fiscal and Policy Issue #3)
GR DEDICATED	\$211,443,045	\$211,582,333	\$139,288	0.1%	Recommendations reflect an increase of \$0.1 million to biennialize 2024-25 salary adjustments. (See Selected Fiscal and Policy Issue #3 and #10)
FEDERAL FUNDS	\$1,440,326	\$0	(\$1,440,326)	(100.0%)	Recommendations reflect a decrease of \$1.4 million in one-time funding in SB8, 87th Leg, 3rd Called Session.
OTHER FUNDS	\$0	\$0	\$0	0.0%	
<b>TEXAS PRIMARY CARE OFFICE B.2.2</b>	<b>\$44,381,515</b>	<b>\$41,784,955</b>	<b>(\$2,596,560)</b>	<b>(5.9%)</b>	
GENERAL REVENUE FUNDS	\$40,028,179	\$40,041,981	\$13,802	0.0%	Recommendations reflect an increase in funding to biennialize the state-wide salary adjustments included in the 2024-25 appropriations. (See Selected Fiscal and Policy Issues #3 and #11)
GR DEDICATED	\$851,320	\$868,780	\$17,460	2.1%	Recommendations reflect an increase of less than \$0.1 million to biennialize the state-wide salary adjustments included in the 2024-25 appropriations. (See Selected Fiscal and Policy Issue #3)
FEDERAL FUNDS	\$3,050,864	\$423,042	(\$2,627,822)	(86.1%)	Recommendations reflect: -a decrease of \$2.6 million to remove one-time funding; and -a decrease of less than \$0.1 million in other federal funds.
OTHER FUNDS	\$451,152	\$451,152	\$0	0.0%	
<b>Total, Goal B, COMMUNITY HEALTH SERVICES</b>	<b>\$429,517,365</b>	<b>\$417,966,898</b>	<b>(\$11,550,467)</b>	<b>(2.7%)</b>	
GENERAL REVENUE FUNDS	\$116,533,862	\$109,701,611	(\$6,832,251)	(5.9%)	
GR DEDICATED	\$212,294,365	\$212,451,113	\$156,748	0.1%	
FEDERAL FUNDS	\$86,414,826	\$81,539,862	(\$4,874,964)	(5.6%)	
OTHER FUNDS	\$14,274,312	\$14,274,312	\$0	0.0%	
<b>FOOD (MEAT) AND DRUG SAFETY C.1.1</b>	<b>\$66,522,436</b>	<b>\$66,937,453</b>	<b>\$415,017</b>	<b>0.6%</b>	

**State Health Services  
Funding Changes and Recommendations by Strategy - Senate -- Supplemental**

<b>Strategy/Fund Type/Goal</b>	<b>2024-25 Base</b>	<b>2026-27 Recommended</b>	<b>Biennial Change</b>	<b>% Change</b>	<b>Comments</b>
GENERAL REVENUE FUNDS	\$30,101,380	\$30,942,054	\$840,674	2.8%	Recommendations reflect: - an increase of \$0.7 million in funding to biennialize the state-wide salary adjustments included in the 2024-25 appropriations; and - an increase of \$0.2 million due to decreased Oyster Fee Revenue in GRD Account No. 5022, Oyster Sales.
GR DEDICATED	\$24,838,679	\$24,849,309	\$10,630	0.0%	Recommendations reflect: -an increase of \$0.4 million in funding to biennialize the state-wide salary adjustments included in the 2024-25 appropriations (See Selected Fiscal and Policy Issue #3); -a decrease of \$0.2 million in Oyster Fee Revenue in Account No. 5022, Oyster Sales; and -a decrease of \$0.2 million to realign GRD funding between Seat Management and program costs.
FEDERAL FUNDS	\$10,113,041	\$9,810,586	(\$302,455)	(3.0%)	Recommendations reflect decreases across various federal grants.
OTHER FUNDS	\$1,469,336	\$1,335,504	(\$133,832)	(9.1%)	Recommendations reflect a decrease in Appropriated Receipts.
<b>ENVIRONMENTAL HEALTH C.1.2</b>	<b>\$14,229,026</b>	<b>\$14,727,571</b>	<b>\$498,545</b>	<b>3.5%</b>	
GENERAL REVENUE FUNDS	\$829,316	\$837,936	\$8,620	1.0%	Recommendations reflect an increase in funding to biennialize the state-wide salary adjustments included in the 2024-25 appropriations. (See Selected Fiscal and Policy Issue #3)
GR DEDICATED	\$12,150,365	\$12,624,801	\$474,436	3.9%	Recommendations reflect: -an increase of \$0.3 million to biennialize 2024-25 salary adjustments (See Selected Fiscal and Policy Issue #3); and -an increase of \$0.2 million to realign funding between Seat Management and program costs.
FEDERAL FUNDS	\$1,249,345	\$1,264,834	\$15,489	1.2%	Recommendations reflect adjustments across various federal grants.
OTHER FUNDS	\$0	\$0	\$0	0.0%	
<b>RADIATION CONTROL C.1.3</b>	<b>\$20,263,393</b>	<b>\$20,540,897</b>	<b>\$277,504</b>	<b>1.4%</b>	

**State Health Services  
Funding Changes and Recommendations by Strategy - Senate -- Supplemental**

<b>Strategy/Fund Type/Goal</b>	<b>2024-25 Base</b>	<b>2026-27 Recommended</b>	<b>Biennial Change</b>	<b>% Change</b>	<b>Comments</b>
GENERAL REVENUE FUNDS	\$16,241,044	\$16,639,292	\$398,248	2.5%	Recommendations reflect an increase of \$0.4 million in funding to biennialize the state-wide salary adjustments included in the 2024-25 appropriations. (See Selected Fiscal and Policy Issue #3)
GR DEDICATED	\$2,788,893	\$2,829,675	\$40,782	1.5%	Recommendations reflect an increase in funding to biennialize the state-wide salary adjustments included in the 2024-25 appropriations. (See Selected Fiscal and Policy Issue #3)
FEDERAL FUNDS	\$1,183,201	\$1,026,274	(\$156,927)	(13.3%)	Recommendations reflect: -a decrease of \$0.1 million in Environment Oversight award; and -a decrease of less than \$0.1 million in Transport of Transuranic Wastes to the Waste Isolation Pilot Plant award.
OTHER FUNDS	\$50,255	\$45,656	(\$4,599)	(9.2%)	Recommendations reflect a decrease of less than \$0.1 million to align appropriations with Appropriated Receipts and IAC collections.
<b>TEXAS.GOV C.1.4</b>	<b>\$1,441,728</b>	<b>\$1,441,728</b>	<b>\$0</b>	<b>0.0%</b>	
GENERAL REVENUE FUNDS	\$776,834	\$776,834	\$0	0.0%	
GR DEDICATED	\$664,894	\$664,894	\$0	0.0%	
FEDERAL FUNDS	\$0	\$0	\$0	0.0%	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
<b>Total, Goal C, CONSUMER PROTECTION SERVICES</b>	<b>\$102,456,583</b>	<b>\$103,647,649</b>	<b>\$1,191,066</b>	<b>1.2%</b>	
GENERAL REVENUE FUNDS	\$47,948,574	\$49,196,116	\$1,247,542	2.6%	
GR DEDICATED	\$40,442,831	\$40,968,679	\$525,848	1.3%	
FEDERAL FUNDS	\$12,545,587	\$12,101,694	(\$443,893)	(3.5%)	
OTHER FUNDS	\$1,519,591	\$1,381,160	(\$138,431)	(9.1%)	
<b>AGENCY WIDE IT PROJECTS D.1.1</b>	<b>\$87,622,690</b>	<b>\$96,217,292</b>	<b>\$8,594,602</b>	<b>9.8%</b>	

**State Health Services  
Funding Changes and Recommendations by Strategy - Senate -- Supplemental**

<b>Strategy/Fund Type/Goal</b>	<b>2024-25 Base</b>	<b>2026-27 Recommended</b>	<b>Biennial Change</b>	<b>% Change</b>	<b>Comments</b>
GENERAL REVENUE FUNDS	\$55,666,069	\$79,736,211	\$24,070,142	43.2%	Recommendations reflect: - an increase of \$15.4 million for Data Center Services for continued services; (See Selected Fiscal and Policy Issue #12); -an increase of \$6.6 million attributable to funds transferred from this strategy to strategy A.1.1, Public Health Preparedness and Coordinated Services, in FY 2024 for Hurricane Beryl Response; and -an increase due to realignment of \$2.1 million in General Revenue for ongoing DCS costs related to Maternal Mortality Review Information Application (MMRIA) Replacement and Maternal Health Quality Improvement System. (See Strategy B.1.1)
GR DEDICATED	\$914,156	\$914,156	\$0	0.0%	
FEDERAL FUNDS	\$30,142,779	\$14,667,239	(\$15,475,540)	(51.3%)	Recommendations reflect: -an increase of \$9.7 million in COVID-19 Epidemiology and Lab Capacity Funds for Data Center Services (Exceptional Item #1b) for continued services (See Selected Fiscal and Policy Issue #12); and -a decrease of \$25.1 in COVID-19 Epidemiology and Lab Capacity Funds for various purposes. (See Selected Fiscal and Policy Issue #1)
OTHER FUNDS	\$899,686	\$899,686	\$0	0.0%	
<b>Total, Goal D, AGENCY WIDE IT PROJECTS</b>	<b>\$87,622,690</b>	<b>\$96,217,292</b>	<b>\$8,594,602</b>	<b>9.8%</b>	
GENERAL REVENUE FUNDS	\$55,666,069	\$79,736,211	\$24,070,142	43.2%	
GR DEDICATED	\$914,156	\$914,156	\$0	0.0%	
FEDERAL FUNDS	\$30,142,779	\$14,667,239	(\$15,475,540)	(51.3%)	
OTHER FUNDS	\$899,686	\$899,686	\$0	0.0%	
<b>CENTRAL ADMINISTRATION E.1.1</b>	<b>\$71,315,539</b>	<b>\$72,073,097</b>	<b>\$757,558</b>	<b>1.1%</b>	

**State Health Services  
Funding Changes and Recommendations by Strategy - Senate -- Supplemental**

Strategy/Fund Type/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
GENERAL REVENUE FUNDS	\$18,296,638	\$18,688,301	\$391,663	2.1%	Recommendations reflect: -an increase of \$0.4 million in funding to biennialize the state-wide salary adjustments included in the 2024-25 appropriations (See Selected Fiscal and Policy Issue #3); and -an increase of less than \$0.1 million attributable to funds transferred from this strategy to strategy A.1.1, Public Health Preparedness and Coordinated Services, in FY 2024 for Hurricane Beryl Response;
GR DEDICATED	\$613,197	\$620,330	\$7,133	1.2%	Recommendations reflect an increase in funding to biennialize the state-wide salary adjustments included in the 2024-25 appropriations. (See Selected Fiscal and Policy Issue #3)
FEDERAL FUNDS	\$51,566,232	\$51,935,940	\$369,708	0.7%	Recommendations reflect adjustments across various federal grants.
OTHER FUNDS	\$839,472	\$828,526	(\$10,946)	(1.3%)	Recommendations reflect a decrease of less than \$0.1 million to align appropriations with IAC collections.
<b>IT PROGRAM SUPPORT E.1.2</b>	<b>\$39,327,737</b>	<b>\$50,128,309</b>	<b>\$10,800,572</b>	<b>27.5%</b>	
GENERAL REVENUE FUNDS	\$39,186,032	\$49,986,331	\$10,800,299	27.6%	Recommendations reflect: -an increase of \$10.6 million attributable to funds transferred from this strategy to strategy A.1.1, Public Health Preparedness and Coordinated Services, in FY 2024 for Hurricane Beryl Response; -an increase of \$1.0 million attributable to funds transferred to this strategy from strategy A.1.1, Public Health Preparedness and Coordinated Services for Wildfire Response; -an increase of less than \$0.1 million in funding to biennialize the state-wide salary adjustments included in the 2024-25 appropriations (See Selected Fiscal and Policy Issue #3); and -a decrease of \$0.8 million in one-time capital funding appropriated for a Web Application Firewall in 2024-25.
GR DEDICATED	\$4,532	\$4,532	\$0	0.0%	
FEDERAL FUNDS	\$137,173	\$137,446	\$273	0.2%	Recommendations reflect adjustments across various federal grants.

**State Health Services  
Funding Changes and Recommendations by Strategy - Senate -- Supplemental**

<b>Strategy/Fund Type/Goal</b>	<b>2024-25 Base</b>	<b>2026-27 Recommended</b>	<b>Biennial Change</b>	<b>% Change</b>	<b>Comments</b>
OTHER FUNDS	\$0	\$0	\$0	0.0%	
<b>OTHER SUPPORT SERVICES E.1.3</b>	<b>\$4,952,156</b>	<b>\$5,199,710</b>	<b>\$247,554</b>	<b>5.0%</b>	
GENERAL REVENUE FUNDS	\$714,958	\$729,320	\$14,362	2.0%	Recommendations reflect an increase in funding to biennialize the state-wide salary adjustments included in the 2024-25 appropriations. (See Selected Fiscal and Policy Issue #3)
GR DEDICATED	\$1,488,026	\$1,491,234	\$3,208	0.2%	Recommendations reflect an increase in funding to biennialize the state-wide salary adjustments included in the 2024-25 appropriations. (See Selected Fiscal and Policy Issue #3)
FEDERAL FUNDS	\$2,707,172	\$2,937,156	\$229,984	8.5%	Recommendations reflect adjustments across various federal grants.
OTHER FUNDS	\$42,000	\$42,000	\$0	0.0%	
<b>REGIONAL ADMINISTRATION E.1.4</b>	<b>\$3,173,281</b>	<b>\$3,280,162</b>	<b>\$106,881</b>	<b>3.4%</b>	
GENERAL REVENUE FUNDS	\$2,964,725	\$3,071,606	\$106,881	3.6%	Recommendations largely reflect: -an increase of \$1.1 million attributable to funds transferred from this strategy to strategy A.1.1, Public Health Preparedness and Coordinated Services, in FY 2024 for Hurricane Beryl Response; and -a decrease of \$1.0 million for vehicles fleet replacement appropriated in SB 30, Eighty-eighth Leg., Regular Session, 2023.
GR DEDICATED	\$31,954	\$31,954	\$0	0.0%	
FEDERAL FUNDS	\$176,602	\$176,602	\$0	0.0%	
OTHER FUNDS	\$0	\$0	\$0	0.0%	
<b>Total, Goal E, INDIRECT ADMINISTRATION</b>	<b>\$118,768,713</b>	<b>\$130,681,278</b>	<b>\$11,912,565</b>	<b>10.0%</b>	
GENERAL REVENUE FUNDS	\$61,162,353	\$72,475,558	\$11,313,205	18.5%	
GR DEDICATED	\$2,137,709	\$2,148,050	\$10,341	0.5%	
FEDERAL FUNDS	\$54,587,179	\$55,187,144	\$599,965	1.1%	
OTHER FUNDS	\$881,472	\$870,526	(\$10,946)	(1.2%)	
<b>Grand Total, All Agency</b>	<b>\$2,967,211,140</b>	<b>\$2,297,845,474</b>	<b>(\$669,365,666)</b>	<b>(22.6%)</b>	



**State Health Services**  
**Funding Changes and Recommendations by Strategy - Senate -- Supplemental**

<b>Strategy/Fund Type/Goal</b>	<b>2024-25 Base</b>	<b>2026-27 Recommended</b>	<b>Biennial Change</b>	<b>% Change</b>	<b>Comments</b>
GENERAL REVENUE FUNDS	\$726,169,382	\$765,331,879	\$39,162,497	5.4%	
GR DEDICATED	\$342,229,335	\$337,277,283	(\$4,952,052)	(1.4%)	
FEDERAL FUNDS	\$1,625,692,389	\$931,042,633	(\$694,649,756)	(42.7%)	
OTHER FUNDS	\$273,120,034	\$264,193,679	(\$8,926,355)	(3.3%)	

**Department of State Health Services  
Summary of Federal Funds - Senate  
(Dollar amounts in Millions)**

Appendix B

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
HIV Care Formula Grants	\$154.1	\$125.2	\$125.2	\$125.2	\$279.3	\$250.3	26.9%	(\$28.9)	(10.4%)
COVID-19 Epidemiology and Lab Capacity for Infectious Diseases (ELC)	\$333.1	\$120.1	\$121.8	\$22.0	\$453.2	\$143.8	15.4%	(\$309.5)	(68.3%)
COVID-19 Public Health Infrastructure	\$32.1	\$47.5	\$47.5	\$47.5	\$79.5	\$94.9	10.2%	\$15.4	19.4%
Public Health Emergency Preparedness	\$45.5	\$40.9	\$40.9	\$40.9	\$86.5	\$81.9	8.8%	(\$4.6)	(5.3%)
Maternal and Child Health Services Block Grant	\$30.6	\$30.1	\$30.1	\$30.1	\$60.7	\$60.2	6.5%	(\$0.5)	(0.8%)
HIV Prevention Activities-Health Department Based	\$11.4	\$25.0	\$23.8	\$23.8	\$36.4	\$47.6	5.1%	\$11.2	30.7%
Immunization Grants	\$37.5	\$38.2	\$21.6	\$21.6	\$75.7	\$43.2	4.6%	(\$32.5)	(42.9%)
National Bioterrorism Hospital Preparedness Program	\$18.1	\$15.1	\$15.1	\$15.1	\$33.2	\$30.2	3.2%	(\$3.0)	(9.1%)
CDC's Collaboration with Academia to Strengthen Public Health	\$11.1	\$9.9	\$9.9	\$9.9	\$21.0	\$19.9	2.1%	(\$1.1)	(5.4%)
Medical Assistance Program 50% Match	\$8.4	\$8.4	\$8.4	\$8.4	\$16.9	\$16.9	1.8%	\$0.0	0.0%
Housing Opportunities for Persons with AIDS	\$7.5	\$7.6	\$7.6	\$7.6	\$15.1	\$15.3	1.6%	\$0.1	0.9%
Preventive Health Services-STD Control Grants	\$5.8	\$7.5	\$7.5	\$7.5	\$13.3	\$14.9	1.6%	\$1.7	12.6%
Project and Cooperative Agreements for Tuberculosis Control	\$8.7	\$7.0	\$7.0	\$7.0	\$15.8	\$14.1	1.5%	(\$1.7)	(10.6%)
Preventive Health and Health Services Block Grant	\$6.9	\$6.2	\$6.2	\$6.2	\$13.1	\$12.4	1.3%	(\$0.7)	(5.2%)
Talmadge Aiken (Meat and Poultry Inspections)	\$4.7	\$4.6	\$4.6	\$4.6	\$9.3	\$9.2	1.0%	(\$0.1)	(1.1%)
Injury Prevention and Control Research and State and Community-Based Programs	\$3.6	\$3.9	\$3.9	\$3.9	\$7.5	\$7.9	0.8%	\$0.4	4.9%
All Other COVID-19 Grants <sup>1</sup>	\$223.6	\$109.3	\$8.7	\$3.4	\$332.9	\$12.2	1.3%	(\$320.7)	(96.3%)
All Other Grants <sup>2</sup>	\$48.1	\$28.1	\$28.1	\$28.1	\$76.3	\$56.2	6.0%	(\$20.1)	(26.3%)
<b>TOTAL:</b>	<b>\$990.9</b>	<b>\$634.8</b>	<b>\$518.1</b>	<b>\$413.0</b>	<b>\$1,625.7</b>	<b>\$931.0</b>	<b>100.0%</b>	<b>(\$694.6)</b>	<b>(42.7%)</b>

<sup>1</sup> All other COVID-19 grants besides the ELC grant and Public Health Infrastructure grant include: Public Assistance Category B, State Health Department Response, State Fiscal Recovery Funds, the Behavioral Risk Factor Surveillance System, Public Health Emergency Response, Immunization Cooperative Agreements, and Preventive Health Services STD Control Grants.

<sup>2</sup> All other grants include federal grants to prevent or respond to various public health concerns.

Note: Totals may not sum due to rounding.

**Department of State Health Services  
FTE Highlights - Senate**

<b>Full-Time-Equivalent Positions</b>	<b>Expended 2023</b>	<b>Estimated 2024</b>	<b>Budgeted 2025</b>	<b>Recommended 2026</b>	<b>Recommended 2027</b>
Cap	3,301.3	3,376.2	3,392.2	3,369.2	3,369.2
Actual/Budgeted	3,596.1	3,973.8	4,138.2	NA	NA

**Schedule of Exempt Positions (Cap)**

Commissioner, Group 8	\$271,083	\$284,637	\$298,869	\$298,869	\$298,869
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Notes:

a) Amounts above the cap in 2023, 2024, and 2025 are primarily attributable to COVID-19 federally funded positions.

b) The recommended FTE cap for the 2026-27 biennium maintains the fiscal year 2025 adjusted cap, which includes an increase of 6.0 FTEs pursuant to DSHS Rider 32, Hemp Regulation, and a transfer of 36.0 FTEs to HHSC pursuant to Special Provisions Relating to all Health and Human Services Agencies, Section 6, Limitation on Transfer Authority, per letter dated January 18, 2024. The cap for fiscal years 2026-27 includes an additional 7.0 FTEs for a Maternal Mortality and Morbidity project and does not include 776.0 federally funded FTEs to respond to the COVID-19 pandemic.

c) The State Auditor's Office Report, Executive Compensation at State Agencies (Report 25-702, October 2024) indicates an average market salary of \$286,540 for the Commissioner position at DSHS. Recommendations include an increase to the Commissioner Exempt Position cap in fiscal years 2024-25 due to a salary adjustment authorized by the Governor on January 19, 2024, pursuant to General Appropriations Act, Article IX, Section 3.04(b)(3), 88th Legislature, Regular Session. Fiscal years 2026-27 maintain the fiscal year 2025 adjusted cap. The agency's Legislative Appropriations Request (LAR) inadvertently maintained the Exempt Position cap at fiscal year 2023 levels for fiscal years 2026-27, excluding the increase authorized by the Governor.