



May 30, 2025

Mr. Brady Franks
State Budget Director
Office of the Governor
State Insurance Building
1100 San Jacinto
Austin, Texas 78701

Mr. Jerry McGinty II
Executive Director
Legislative Budget Board
Robert E. Johnson Building
1501 North Congress
Austin, Texas 78701

Dear Mr. Franks and Mr. McGinty:

Enclosed is the agency's appropriation year 2025 Monthly Financial Report as of April 30, 2025. The following is a narrative summary of budget adjustments, projected budget variances, capital budget issues, and other key budget issues known at this time.

Budget Adjustments

The budget adjustments listed below apply to the appropriation year 2025. Adjustments to the Department of State Health Services (DSHS) appropriation pattern as detailed in the Conference Committee version of House Bill 1, 88th Legislature, Regular Session, 2023; and Senate Bill 30, 88th Legislature, Regular Session, 2023 as described:

- A. Federal funds are adjusted to anticipated collections pursuant to Article IX, Section 13.01, Federal Funds/Block Grants.
- B. Federal funds are adjusted to anticipated collections pursuant to Article IX, Section 13.01, Federal Funds/Block Grants for COVID-19 Funding.
- C. Amounts are adjusted to anticipated collections pursuant to Article IX, Section 8.02, Reimbursements and Payments.
- D. Appropriation of receipts pursuant to Article IX, Section 8.10, Appropriation of Receipts: Credit, Charge, Debit Card, or Electric Cost Recovery Service Fees.
- E. Amounts are adjusted pursuant to Article II, DSHS Rider 24, Federally Funded Capital Projects.
- F. Amounts are adjusted pursuant to Art II Special Provision 14 (c); Limitation - Expenditure and Transfer of Public Health Medicaid Reimbursements.

- G. Amounts are adjusted for Article II, Special Provision, Sec. 9, System Support Services.
- H. Amounts are increased for Article IX, Section 17.16, Appropriation for a Salary Increase.
- I. Amounts are adjusted per 88th SB30, Sec. 3.06 Federally Qualified Health Center Incubator Program
- J. Amounts are adjusted per Sec. 8.23, Unexpended Balance Authority for Rio Grande Valley Lab, of Senate Bill 30, 88th Legislature, Regular Session.
- K. Amounts are adjusted for Article IX, Section 14.03(i), Transfers – Capital Budget
- L. Amounts are adjusted for Article II, DSHS Rider 18, HIV Vendor Drug Rebates UB to FY25, letter dated November 1, 2024
- M. Amounts are adjusted for Article II, DSHS Rider 30, Unexpended Balance Authority: Texas Center for Nursing Workforce Studies Funding
- N. Amounts are adjusted for anticipated appropriation lapse due to revenue collections not meeting appropriations.
- O. Amounts are adjusted per 88th SB30, Section 9.02, Motor Vehicle Purchases
- P. Amounts are adjusted for Article IX, Section 8.01(a), Acceptance of Gifts of Money.
- Q. Amounts are adjusted for Article IX, Section 14.05, Unexpended Balance Authority Between Fiscal Years.
- R. Amounts are adjusted per 88th SB30, Section 3.08, Laboratory Building Repair, Repair and Rehabilitating UB from AY24 to AY25.
- S. Amounts are adjusted for Article II, DSHS Rider 7, Appropriation Contingent Revenue, Letter dated March 13, 2025.
- T. Adjustments reflect the disaster related transfer letter for weather responses, letter dated March 12, 2025.
- U. Amounts are adjusted for Article II, DSHS Rider 8, Estimated Appropriated Perpetual Care Account, Letter dated March 14, 2025.

Budget Variances

None.

Significant Changes from Previous Report

FY2025 Federal funds were reduced due to the termination of COVID funds on March 24, 2025, in the amount of \$263.4M. The grants that terminated were

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related to Epidemiology and Laboratory Capacity, Immunizations and Health Disparities. This also impacted to Capital schedule and will result in lapsing capital authority of \$29.7M.

Other Key Budget Issues

None.

Capital Budget Issues

None.

Approval/Notification Letters

Table One: Approval

Status of Pending Transfers and Authority Requiring Prior Approval		
Letter Topic	Letter Date	Approval/Response Received
UB Authority from FY2024 to FY2025	10/30/2024	CPA approved 02/26/2025
Newborn Screening Preservation Account Finding of Fact	10/31/2024	CPA approved 01/30/2025
Request for Appropriation of Revenue Collected above the Biennial Revenue Estimate in Fiscal Year 2025, Rider 7, Contingent Revenue	02/21/2025	CPA approved 03/15/2025

Table Two: Notification

Status of Pending Transfers and Authority Notifications	
Letter Topic	Letter Date
FTE Cap and COVID19 Federal Funds	10/07/2024
Submission of Annual Report of HIV Vendor Drug Rebates Unexpended Balances	10/30/2024
Transfer Funds to Capital Budget Projects related to Federal Funds	10/31/2024

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Return Federal COVID Funds	11/25/2024
Return Federal COVID Funds	12/19/2024
Transfer Funds to Capital Budget Projects related to Federal Funds	01/28/2025
FTE Cap related to Federal Funds	01/28/2025
Notification to Transfer Funds to DSHS for Disaster Services (HHSC-2025-N-774)	02/17/2025
Notification to Transfer Funds for Disaster-Related Expenses	03/17/2025
Transfer Funds to Capital Budget Projects related to Federal Funds	04/25/2025

Sincerely,



Christy Havel Burton
Chief Financial Officer

Attachment

cc: Cesar Puesan, Office of the Governor
Amit Patel, Legislative Budget Board
Mary Hill, Comptroller of Public Accounts