

FISCAL YEAR 2026

# Budget Resolution

# 2026



CENTRAL HEALTH

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## Central Health FY 2026 Budget Resolution

This document represents the Central Health budget for Fiscal Year 2026 as deliberated and approved by the Central Health Board of Managers on September 10, 2026. The document includes narrative on the elements of consideration that drove decision-making and an appendix with budget summaries and system objectives for FY2026 including:

- i. Attachment A: Proposed FY26 budgets for Central Health and CommUnityCare Health Centers
- ii. Attachments B1, B2, B3, and B4: Budget Uses related to health care services, health care operations & support, administration & other, and key collaborations
- iii. Attachment C: Proposed FY26 Tax Rate
- iv. Board Approved: FY 2026 System Objectives & Key Results

### FY2026 Central Health Board of Managers

*Ann Kitchen, Chairperson*

*Cynthia Brinson, MD, Vice-Chairperson*

*Maram Museitif, DrPH, MPH, CPH, Treasurer*

*Manuel Martin, MD, Secretary*

*Shannon Jones, MPA, Manager*

*Eliza May, MSSW, MLSW, Manager*

*Amit Motwani, Manager*

*Cynthia Valadez, Manager*

*Geronimo Rodriguez, Manager*



The Board of Managers (hereafter, “Board”) of the Travis County Healthcare District (the “District”), d/b/a Central Health, hereby adopts the Central Health Fiscal Year 2026 Budget (the “FY 2026 Budget”), which:

- A. consists of the FY 2026 Budget Sources and Uses summarized in the following attachments each of which is incorporated herein by reference as if set out in full:
  - a. Attachment A: FY26 Central Health and CommUnityCare Proposed Budgets
  - b. Attachment B1: Health Care Services
  - c. Attachment B2: Health Care Operations & Support
  - d. Attachment B3: Administration and Other
  - e. Attachment B4: Key Collaborations in the FY26 Budget
  - f. Attachment C: Proposed FY 2026 Tax Rate
- B. directs the President and CEO to continue to lead implementation of the Board-adopted Healthcare Equity Plan, with which the maturing hospital district aims to build an equitable system of care that is comprehensive and accountable and can close health disparities; and
- C. directs the President and CEO to maintain the District’s financial strength, flexibility, and sustainability through prudent management of its revenues and cash reserves, while advancing these strategic priorities in FY 2026 and periodically reporting progress to the Board.

## The Year of Access: Meeting the Moment for Travis County

The Central Health system’s Fiscal Year 2026 budget represents an unwavering commitment to ensuring everyone has access to high-quality care through a strong, resilient health care safety net system.

Central Health’s responsibility is both urgent and essential. Across the nation, public health systems and programs face growing challenges — declining funding from federal, state, and philanthropic sources, combined with mounting eligibility barriers for patients to receive the services of a safety net system. Travis County is no exception.

Despite these pressures, we are steadfast in our mission. Together, Central Health, CommUnityCare Health Centers and our contracted community organizations will deploy over \$1.1 billion in FY 2026 to strengthen access, improve outcomes, and invest in the services our community needs. This includes more doctors and clinics for primary and specialty care, more support for mental and behavioral health, enhanced services for people experiencing homelessness, and a stronger health care system for everyone.

These are critical areas that touch thousands of lives each day, and they are areas where the Central Health system can have a profound impact.



## The Cost of Doing Nothing

If the Central Health system did nothing and failed to invest in the safety-net health care system, the cost to Travis County would be staggering—at least \$1.1 billion every year according to a recent report from the Episcopal Health Foundation<sup>i</sup>. That figure represents more than medical bills. It's the price of lost lives, lost productivity, and preventable health crises that ripple through families and communities.

Doing nothing means allowing people to die 10 to 15 years earlier than they should—disproportionately Black and Latino residents east of I-35—on our streets, in our jails, and in our emergency rooms. By contrast, investing in transportation, food, behavioral health, and access to care costs pennies on the dollar. It keeps people working, families intact, and communities healthy and strong.

Our responsibility is not to meet quarterly profit goals—it is to deliver lasting value to the people of Travis County. That means working side by side with community partners to close life-expectancy gaps, improve health outcomes, and create a generational legacy of compassion and accountability.

The FY 2026 budget is designed to do exactly that. It is an investment in preventing the unacceptable—and very real—cost of doing nothing.

## Central Health's Response

Central Health is recommending a property tax rate of 11.8023 cents per \$100 of assessed valuation<sup>i</sup>. For the average homestead (\$515,433 taxable value), this equals \$64 more annually<sup>ii</sup>. Even with this increase, Central Health is only about 5.5% of the typical property tax bill<sup>iii</sup>, and we continue to offer the maximum homestead exemptions<sup>iv</sup>.

While this is an increase from FY 2025, the return on investment to the community is substantial. This budget isn't just about numbers, it's about expanding access to care, reducing inequities, and ensuring that those who rely most upon us can live healthier, fuller lives.

## Demand Grows

Across Travis County, more people than ever are turning to Central Health for care. Last year, more than 170,000 of our neighbors received services through Central Health, CommUnityCare, and Sendero Health Plans. Demand is rising, and our community cannot afford to wait.

That's why FY 2026 is "The Year of Access." Our FY 2026 budget is both urgent and hopeful: a bold investment in faster service, stronger outcomes, and a seamless health system that truly works for the people who rely on it most.

## Expanding Access, Reducing Wait Times

We are building a single, connected health care system where care feels seamless, not scattered. That means cutting wait times for appointments from months to just weeks, expanding enrollment in health coverage through Central Health's Medical Access Program (MAP), helping patients navigate the health care system, expanding early detection for diseases such as cancer, and providing even more support for people experiencing homelessness.

Every dollar invested today in routine, prompt care saves lives and prevents tomorrow's crises, whether in an emergency room or a jail cell.



## Protecting Care Amid Federal Cuts

Amid shrinking federal support, communities across the nation face clinic closures and reduction in benefits. Texas already has the highest uninsured rate in the country, and federal funding cuts threaten to push an estimated 1.1 - 1.8 million<sup>v</sup> Texans off coverage. Central Health is stepping up to protect local access to these critical health care services.

Thanks to taxpayer support, Central Health is taking a different approach by protecting care close to home, even as others scale back. Central Health is making a steadfast commitment to safeguard CommUnityCare from these cuts and ensuring our neighbors still have a trusted place to turn.

## Doubling Down on Primary Care

Central Health's FY 2026 budget invests a record \$98.8 million in CommUnityCare—the largest in our history. This will help provide care for more than 600,000 patient visits<sup>vi</sup> this year, expanded services such as optometry and dentures, and stronger collaborations on mental health and substance use care.

Primary care is not just cost-effective, it changes lives. It keeps people healthier and reduces costly, preventable emergency room visits. This is both a moral and financial commitment to better care for all.

## Partnerships

Central Health has developed and strengthened strategic partnerships with key community organizations to address health care needs for Travis County's most vulnerable residents.

- \$3.2 million for premium assistance and mental health services for low-income musicians through the Health Alliance for Austin Musicians (HAAM) and SIMS Foundation partnerships and to develop a pilot program and assessment for ACA and MAP enrollment and navigation for food service industry employees<sup>vii</sup>.
- Behavioral health services through Integral Care such as Therapeutic Diversion Center offering alternatives to jail for people with mental health crises.
- Trauma recovery services through the African American Youth Harvest Foundation serving 6,000-8,000 youth annually<sup>viii</sup>.
- Working with ECHO (Ending Community Homelessness Coalition) on housing initiatives and mortality reduction efforts, recognizing that over 60% of the 24,348 people ECHO served in 2023 were living with disabling conditions<sup>ix</sup>.
- Supporting culturally responsive care through the Black Men's Health Clinic.
- Sobering services through the Sobering Center of Austin, providing safe alternatives to emergency rooms.

These partnerships collectively address social determinants of health through comprehensive care coordination.



## What This Means for our Community

- **Direct Health Care Services:** \$81.6 million for expanded specialty care, including \$40.2 million for behavioral health specialty care and substance use disorder treatment.
- **Homeless Health:** \$33.4 million<sup>x</sup> dedicated to care for individuals experiencing homelessness, including supporting a new 50-bed<sup>xi</sup> Medical Respite Center.
- **Financial Sustainability:** Building reserves to ensure we can weather future funding challenges

## Honoring Our Promise

Voters have consistently supported Central Health's mission: By caring for those who need it most, Central Health improves the lives of our community. This budget honors that promise.

Together, we are building a health system worthy of our community, one where every Travis County resident has the chance to live a healthier, fuller life.

*Pursuant to Chapter 281 of the Texas Health and Safety Code, the Central Health FY 2026 Budget Sources and Uses Summary and ad valorem property tax rate must be approved by the Travis County Commissioners Court before the budget takes effect. Moreover, any expenditures incurred or paid pursuant to this FY 2026 Budget shall adhere to the District's existing financial policies and any others adopted by the Board regarding reserve levels or spending that explicitly requires Board approval. The funding of Central Health activities and services is predicated on the District continuing to meet the mission of Central Health: By caring for those who need it most, Central Health improves the health of the community.*



Pat Lee, MD  
Central Health President & CEO



Ann Kitchen  
Central Health Board Chair



## Appendix

### Attachment A: FY26 Central Health and CommUnityCare Proposed Budgets

	CENTRAL HEALTH FY26 PROPOSED BUDGET	COMMUNITYCARE FY26 PROPOSED BUDGET	TOTAL FY26 BUDGET
Beginning Balance	451,192,875	14,413,072	465,605,947
<b>UNRESTRICTED REVENUE</b>			
Property Taxes	378,061,940		378,061,940
Pharmacy		83,581,903	83,581,903
Lease Revenue	10,424,005		10,424,005
Tobacco Litigation	5,000,000		5,000,000
Patient Revenue	1,000,000	170,695,668	171,695,668
Other	25,900,000		25,900,000
<b>Total Unrestricted Revenue</b>	<b>420,385,945</b>	<b>254,277,571</b>	<b>674,663,516</b>
<b>Restricted Revenue</b>			
Grant/Other	3,540,167	16,686,915	20,227,082
<b>All Revenue Total</b>	<b>423,926,112</b>	<b>270,964,486</b>	<b>694,890,598</b>
<b>Available Budgeted Resources</b>	<b>875,118,987</b>	<b>285,377,558</b>	<b>1,160,496,544</b>
<b>Expenses</b>			
Healthcare Delivery	433,984,684	250,381,130	684,365,814
Administration	46,369,507	20,500,000	66,869,507
UT Affiliation	35,000,000		35,000,000
Other Financing Uses	37,045,142		37,045,142
Opioid Abatement	3,540,167		3,540,167
Contingency/Operating Reserves	319,179,487	14,413,072	333,592,559
<b>Total Expenses</b>	<b>875,118,987</b>	<b>285,294,202</b>	<b>1,160,413,188</b>
Ending Balance	-	83,355.95	83,355.95
Restricted/Designated Reserves	80,165,232	12,000,000	92,165,232





## Attachment B: Central Health Budget Uses

### Attachment B1: Health Care Services

DESCRIPTION	FY 2025 BUDGET	FY 2026 PROPOSED BUDGET
<b>HEALTH CARE DELIVERY</b>		
<b>Network Health Care Services</b>		
Primary Care: Medical, Dental, & Behavioral Health	73,957,000	103,446,258
Specialty Care: including Specialty Dental	31,153,000	37,348,000
Specialty Care: Behavioral Health	25,750,000	40,274,000
Post Acute Care	8,100,000	9,350,000
Pharmacy	19,000,000	19,500,000
Community Health Care Initiatives Fund	1,000,000	1,000,000
<b>Purchased Health Care Services</b>	<b>158,960,000</b>	<b>210,918,258</b>
<b>Direct Health Care Services</b>		
Therapy and Counseling	1,227,110	2,115,947
Psychiatry & Addiction Care	1,674,311	3,221,828
Cardiology	2,437,279	2,442,156
Endocrinology	762,556	883,764
Gastroenterology	2,953,976	4,266,275
Nephrology	1,859,200	1,449,087
Neurology	2,019,556	354,559
Podiatry	2,192,929	2,364,183
Pulmonology	1,497,711	1,915,923
Rheumatology	656,943	2,041,389
Palliative Care	958,984	1,027,374
Pharmacy	1,849,580	2,980,011
Physical Medicine & Rehab		270,771
Transitions of Care	10,388,044	11,598,960
Medical Respite	5,239,210	10,659,535
Diagnostics and Other services	4,395,034	8,545,939
Patient Navigation	6,105,265	7,563,164
Clinical Support	13,826,160	17,898,272
<b>Direct Health Care Services Total</b>	<b>60,043,848</b>	<b>81,599,137</b>
<b>Total Health Care Services</b>	<b>219,003,848</b>	<b>292,517,395</b>



## Attachment B2: Health Care Operations & Support

DESCRIPTION	FY 2025 BUDGET	FY 2026 PROPOSED BUDGET
<b>Health Care Operations &amp; Support</b>		
Salary and Benefits	46,232,033	52,476,460
ACA Healthcare Premium Assistance Programs	19,300,000	19,671,820
Legal	133,000	-
Consulting	2,220,000	970,000
Purchased Services	8,609,200	10,305,800
Outreach and Education	3,250,250	5,348,420
Information Technology & Services	13,932,800	13,764,300
Leases, Utilities, Security and Maintenance	16,334,742	14,181,693
Travel, training and professional development	1,363,200	1,422,100
Other operating expenses	623,500	864,370
Debt service - principal retirement	8,035,000	8,320,000
Debt service - interest	6,424,421	6,142,326
Transfer to Sendero Risk-Based Capital	8,000,000	8,000,000
<b>Total Healthcare Operations &amp; Support</b>	<b>134,458,146</b>	<b>141,467,289</b>
<b>Total Health Care Delivery</b>	<b>353,461,994</b>	<b>433,984,684</b>



## Attachment B3: Administration and Other

DESCRIPTION	FY 2025 BUDGET	FY 2026 PROPOSED BUDGET
<b>ADMINISTRATION</b>		
Salary and Benefits	23,354,186	28,252,193
Legal	2,775,000	5,505,000
Consulting	2,593,623	3,246,250
Purchased Services	1,944,613	1,532,666
Outreach and Education	768,080	539,580
Information Technology & Services	1,551,859	2,009,155
Leases, Utilities, Security and Maintenance	1,491,500	195,000
Travel, training and professional development	1,018,517	1,370,085
Other operating expenses	616,500	663,875
Appraisal District Svcs	1,249,512	1,841,217
Tax Collection Expense	1,142,559	1,214,486
<b>Total Administration</b>	<b>38,505,949</b>	<b>46,369,507</b>
UT Affiliation Agreement	35,000,000	35,000,000
<b>OTHER FINANCING SOURCES/USES</b>		
Transfer to capital projects	50,000,000	15,000,000
Transfer to Public Health Center Reserve		12,000,000
Transfer to emergency reserve	11,381,015	10,045,142
<b>RESTRICTED USES</b>		
All Restricted Expenses	4,664,833	3,540,167
<b>TOTAL EXPENSES</b>	<b>493,013,791</b>	<b>555,939,499</b>
<b>RESERVES</b>		
Contingency Reserves	395,732,910	319,179,487
<b>TOTAL EXPENSES</b>	<b>888,746,701</b>	<b>875,118,987</b>



## Attachment B4: Key Collaborations in the FY26 Budget

Entity	FY26 Budgeted Amount	Description
Foundation Communities	\$1.2M	<ul style="list-style-type: none"> <li>ACA and Medicaid enrollment</li> <li>Loss of federal navigator grant</li> </ul>
Integral Care	\$9.4M	<ul style="list-style-type: none"> <li>Additional outpatient services reimbursement, Herman Center funding, expanded intake access, rate adjustments</li> <li>Fewer patients enrolled in Medicaid, cuts to uncompensated care pool funding</li> <li>Loss of St. David's Foundation funding for Herman Center</li> </ul>
Sobering Center	\$400K	<ul style="list-style-type: none"> <li>Additional beds</li> </ul>
Hungry Hill Foundation	\$100K	<ul style="list-style-type: none"> <li>Outreach</li> </ul>
Austin Public Health (APH), Austin Area Urban League (AAUL) - RFP	\$150K	<ul style="list-style-type: none"> <li>Outreach, navigation and MAP enrollment assistance</li> <li>Funding for CH employed staff or RFP/contracted services</li> </ul>
Austin Public Health (APH)	\$100K	<ul style="list-style-type: none"> <li>Screening &amp; referrals to treatment for CH patients</li> <li>Funding for CH or CUC staff to supplement APH services</li> </ul>
Black Men's Health Clinic (BMHC)/CUC	\$230K	<ul style="list-style-type: none"> <li>Expansion of Care team for additional hours</li> </ul>
Health Alliance for Austin Musicians (HAAM)	\$720K	<ul style="list-style-type: none"> <li>Continuation of premium assistance program</li> <li>outreach, education, income monitoring and dental services for low-income musicians</li> <li>Loss of St. David's foundation funding for dental services</li> </ul>
TBD	\$500,000	<ul style="list-style-type: none"> <li>ACA/MAP navigation and enrollment pilot and assessment for food service industry employees</li> <li>One year pilot including premium assistance, outreach, education and income monitoring</li> <li>Assessment for proof of concept for leveraging philanthropic/corporate funding for sustainability</li> </ul>



## Attachment C: Proposed FY 2026 Tax Rate

8% over the No-New-Revenue Rate

Tax Rate	FY26 Proposed	Percent
Maintenance & Operations Tax Rate	11.3569	96%
Debt Service Tax Rate	0.4454	4%
<b>Total Tax Rate</b>	<b>11.8023</b>	<b>100%</b>

Homestead Exemption	65 & Older	Disability
20% (maximum allowable by state law)	\$185,200	\$185,200

Average Homestead Impact	FY26 Proposed
Average Taxable Homestead Value	\$515,433
Tax Bill	\$608.33

Average Taxable Homestead Property Tax will increase by \$64



## Board Approved: FY 2026 Objectives & Key Results

### “The Year of Access”:

Access Across the Care Continuum, One Team System Integration, Financial Sustainability.

### Stretch Goals

1. Create Simplified, Seamless Patient Care Journeys
  - MOONSHOT Reduce Appointment Wait Times to 2 Weeks or Less \* (Access)
  - Reduce Avoidable Readmissions and ED Utilization by 10% \* (Access)
  - Achieve Average System-Wide Resource Utilization of 75% \* (Sustainability)
2. Build a Comprehensive, Equitable Healthcare System
  - Increase Patient Net Promoter Score by 5%\* (Access)
  - Increase Unique Patients with Coverage by 5%\* (Access)
  - Close 3 Quality Care Gaps by 15% \* (Access)
3. Demonstrate the Value of Community Support
  - Increase Community Support for Central Health by 5%\* (Access)
  - Reduce Avoidable System Duplication by 50% (Sustainability)
  - Increase Non-Tax Revenue Sources by 2% \* (Sustainability)
4. Empower and Develop Our Team
  - Increase Leadership and Management OKR Participation to 75% (Integration)
  - Increase Team Member Satisfaction Score by 2% \* (Integration)
  - Increase Team Member Sense of Belonging by 5% \* (Integration)

**Stretch Goals** - Intentionally ambitious targets designed to inspire breakthrough performance, with iterative refinement expected based on progress

\* = Preliminary Metrics – Current figures reflect initial estimates pending full benchmarking analysis

Board Approved – 6.25.2025



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<sup>i</sup> Economic Impacts of Health Disparities in Texas 2020, Appendix A: County Economic Impact Estimates - Total Economic Impact: Excess Health Spending + Lost Productivity combined with Measure of Economic Value of Lost Life Years (\$50,000/ life year): <https://www.episcopalhealth.org/wp-content/uploads/2024/02/2-27-24-Health-Disparities-Full.pdf>

<sup>ii</sup> As of 8/27/2025 FY26 Proposed Budget Presentation. Also on Central Health website: [Finance - Central Health](#).

<sup>iii</sup> As of 8/27/2025 FY26 Proposed Budget Presentation. Using example on slide 22, Central Health is roughly 5.5% if only some of the major taxing entities in Austin are accounted for; residents in other cities / areas of the county may have Central Health as a different % of their total tax bill.

<sup>iv</sup> As of 8/27/2025 FY26 Proposed Budget Presentation. Also on Central Health website: [Finance - Central Health](#).

<sup>v</sup> KFF estimates that the Budget Reconciliation Act and ACA enhanced tax credit expiration would add 1.1-1.8 M uninsured for Texas: [How Will the 2025 Reconciliation Law Affect the Uninsured Rate in Each State? | KFF](#).

<sup>vi</sup> CUC FY26 estimates are 600,000 patient visits and 143,000 patients.

<sup>vii</sup> For FY26, \$3.2 million for HAAM/SIMS subsidy. Other additional HAAM funding includes \$220,000 for outreach and \$500K for dental network.

<sup>viii</sup> <https://www.centralhealth.net/a-welcome-space-for-anyone-in-travis-county-how-the-african-american-youth-harvest-foundation-has-become-an-ecosystem-for-community/>

<sup>ix</sup> [Central Health's Work Helps Unhoused Residents Achieve Better Health As They Move Out of Homelessness - Central Health](#)

<sup>x</sup> Note this is an estimate and is not additive – the \$33.4 million is spread across partnerships and direct health care services.

<sup>xi</sup> 50 beds at the former Clinical Education Center site.

