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BUDGET AND FINANCE COMMITTEE MEETING
Wednesday, August 12, 2026 4:00 p.m.
Or immediately following the Infrastructure Committee meeting

Videoconference meeting[1]

A quorum of the Committee and the presiding officer will be present at:

Central Health Administrative Offices
1111 E. Cesar Chavez St.
Austin, Texas 78702
Board Room

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1. Discuss and take appropriate action to accept a contribution of $289,995 from Workforce Solutions to support Central Health's participation in the Central Texas Healthcare Academy. (*Action Item*)

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Travis County Healthcare District, dba Central Health
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(Required under Texas Government Code §551.043(c))

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Dyana Limon-Mercado
County Clerk, Travis County, Texas
By Kalien Dugue Deputy

Kalien Dugue

SEAL OF COUNTY COURT TRAVIS COUNTY, TEXAS

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS
Dyana Limon-Mercado
Dyana Limon-Mercado, County Clerk
Travis County, Texas

202681146 Aug 05, 2026 05:01 PM
Fee: $0.00 DUGUEK

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County Clerk, Travis County, Texas
By Kalien Dugue Deputy

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SEAL OF COUNTY COURT TRAVIS COUNTY, TEXAS

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS
Dyana Limon-Mercado
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202681146 Aug 05, 2026 05:01 PM
Fee: $0.00 DUGUEK

BUDGET & FINANCE COMMITTEE MEETING

August 12, 2026

AGENDA ITEM 1

Discuss and take appropriate action to accept a contribution of $289,995 from Workforce Solutions to support Central Health's participation in the Central Texas Healthcare Academy. (*Action Item*)

CENTRAL HEALTH

AGENDA ITEM SUBMISSION FORM

This form is to provide a general overview of the agenda item in advance of posting for the Board meeting. Proposed motion language is a recommendation only and not final until the meeting and may be changed by the Board Manager making the motion. All information in this form is subject to the Public Information Act.

Agenda Item Meeting Date	August 12, 2026
Who will present the agenda item? (Name, Title)	Carol Wang, Director of Education; Kim Gabbitas, Grants Manager
General Item Description	Accepting a contribution from Workforce Solutions for workforce development and education programs.
Is this an informational or action item?	Action item
Fiscal Impact	Central Health will receive up to $289,995 from Workforce Solutions
Recommended Motion (if needed – action item)	Vote to accept a contribution of up to $289,995 from Workforce Solutions to support Central Health's participation in the Central Texas Healthcare Academy.

Key takeaways about agenda item, and/or feedback sought from the Board of Managers:

1) _____
2) _____
3) _____
4) _____
5) _____

What backup will be provided, or will this be a verbal update? (Backup is due one week before the meeting.)	Informational memo, slide deck
Estimated time needed for presentation & questions?	5 minutes
Is closed session recommended? (Consult with attorneys.)	No
Form Prepared By/Date Submitted:	Kim Gabbitas, July 15, 2026

CENTRAL HEALTH

MEMORANDUM

To: Central Health Board of Managers
From: Carol Wang, Director of Education and Research; Kim Gabbitas, Grants Manager
CC: Patrick Lee, President & CEO
Date: August 12, 2026
Re: Accepting Contribution from Workforce Solutions – ACTION ITEM

Overview:
Central Health staff recommends the Board of Managers take action to accept a pledged contribution of $289,995 from Workforce Solutions to support Central Health's participation in the Central Texas Healthcare Academy.

Synopsis:
The Central Texas Healthcare Partnership (CTHP) is a collaboration between Workforce Solutions, Austin Community College, Central Health, Baylor Scott & White, Ascension Seton, and St. David's HealthCare, that works to create pathways to education and employment in the healthcare industry. Its mission is to sustain and grow the Central Texas healthcare workforce while expanding pathways to economic mobility for local residents.

In 2026, the CTHP, launched the Central Texas Healthcare Academy. This education and workforce development program pairs high school students with healthcare industry partners where they will benefit from engagement and learning opportunities from nursing to health information technology. As an industry partner to the academy, Central Health and CommUnityCare, will provide student clinical rotation and observership opportunities, as well as speaking engagements with schools, to provide their students an overview of different healthcare professions.

To support Central Health's involvement in the academy, Workforce Solutions has pledged up to $289,995 for a dedicated Program Coordinator at Central Health. The coordinator will connect students enrolled in the Central Texas Healthcare Academy to industry engagement opportunities at Central Health, and partner with other CTHP organizations to create uniform and standardized pathways to education and employment.

Fiscal Impact:
Central Health will receive up to $289,995 from Workforce Solutions.

CENTRAL HEALTH

Action Requested:

Central Health staff request the Board of Managers take action to accept a contribution of $289,995 from Workforce Solutions to support Central Health's participation in the Central Texas Healthcare Academy.

CENTRAL HEALTH

Central Texas Healthcare Academy

Central Texas Healthcare Partnership

Dr. Carol Wang, Director of Education and Research

Kim Gabbitas, Grants Manager

August 12, 2026

Central Texas
HEALTHCARE ACADEMY

Train for a Career with a Future
Austin Community College, in collaboration with the Central Texas Healthcare Partnership, now offers a new dual credit programs that trains high school students in five exciting careers that support the region's growing healthcare industry.

Program Benefits Program Benefits
Academy students gets a world-class college education, access to support services, and graduate high school career-ready.

Choose from Five Career Paths Benefits
Professional Nursing
Diagnostic Medical Imaging
Surgical Technology
Health Information Technology


Tuition is Free


Hands-on Learning


Real-World Connections

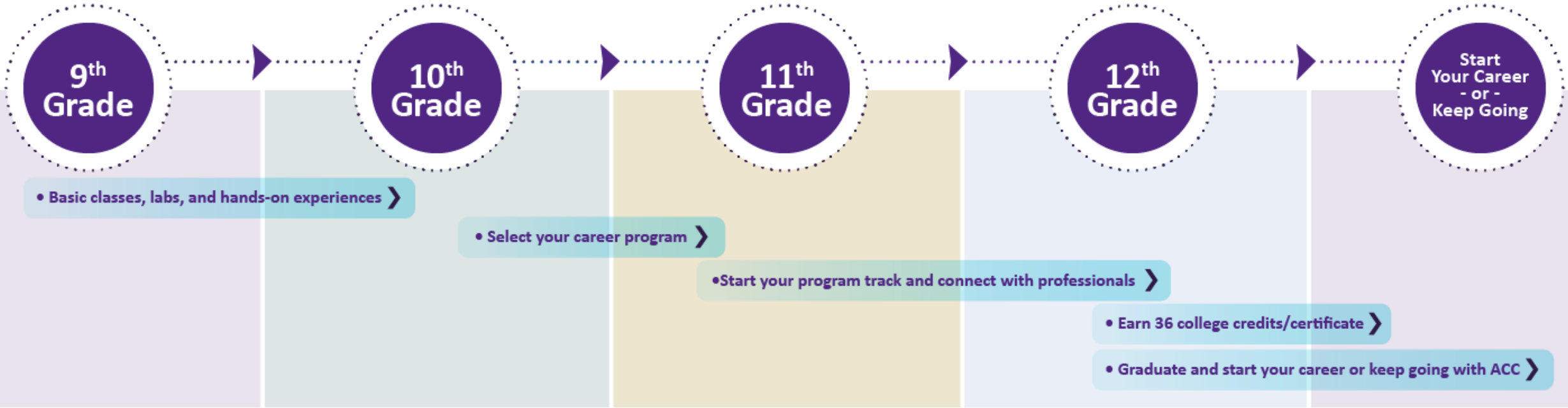

Strong Starting Pay

Central Texas

HEALTHCARE ACADEMY

How it Works

You begin taking classes in 9th grade, with the potential to earn a certificate by the time you graduate high school. You can go straight into your career or continue your college education with ACC.



CENTRAL TEXAS HEALTHCARE ACADEMY

AUSTIN COMMUNITY COLLEGE DISTRICT

St David's HEALTHCARE

Ascension

Baylor Scott & White HEALTH

CENTRAL HEALTH

Central Health's Role

- **Participate in speaking engagements and lead educational and outreach events on nursing and allied health professions**
- **Provide opportunities for clinical rotations and observership opportunities (starting in Year 3)**
- **Develop and support uniform pathways to education and employment in the health care industry**

Budget & Payment Schedule

	Workforce Solutions	Central Health	Annual Total
Year 1 (2026-2027)	$86,000	$0	$86,000
Year 2 (2027-2028)	$88,580	$0	$88,580
Year 3 (2028-2029)	$68,428	$22,812	$91,240
Year 4 (2029-2030)	$46,987	$46,987	$93,974
Contract Term Total*	$289,995	$69,799	$359,794

This table represents the contractual maximum amount payable by Workforce Solutions and assumes a 3% salary increase for the position year-over-year.

Thank You

BUDGET & FINANCE COMMITTEE MEETING

August 12, 2026

AGENDA ITEM 2

1. Receive an update on Fiscal Year 2026 Quarter 3 (FY26 Q3) System Objectives and Key Results Performance:
   a. Create Simplified Patient Care Journeys;
   b. Build a Comprehensive, Equitable Health Care System;
   c. Demonstrate the Value of Community Support; and
   d. Empower and Develop our Team. (*Informational Item*)

AGENDA ITEM SUBMISSION FORM

This form is to provide a general overview of the agenda item in advance of posting for the Board meeting. Proposed motion language is a recommendation only and not final until the meeting and may be changed by the Board Manager making the motion. All information in this form is subject to the Public Information Act.

Agenda Item Meeting Date	August 12, 2026
Who will present the agenda item? (Name, Title)	Dr. Pat Lee, CEO
General Item Description	Update on Q3 FY26 System Objectives and Key Results
Is this an informational or action item?	Informational
Fiscal Impact	None
Recommended Motion (if needed – action item)	None

Key takeaways about agenda item, and/or feedback sought from the Board of Managers:

1) Update on Year of Access Goals
2) Efforts to de-duplicate our work across our organization
3) Update on identified challenges across our organization
4) Update on ways that teams are cross collaborating to achieve system goals

What backup will be provided, or will this be a verbal update? (Backup is due one week before the meeting.)	Q3 OKR Review Slide Deck
Estimated time needed for presentation & questions?	20 Min
Is closed session recommended? (Consult with attorneys.)	No
Form Prepared By/Date Submitted:	Lucas Bustelo 8/4/2026

CENTRAL HEALTH
TRAVIS COUNTY HOSPITAL DISTRICT

System OKR Review

Q3 FY2026

07/28/26

Create Simplified Patient Care Journeys

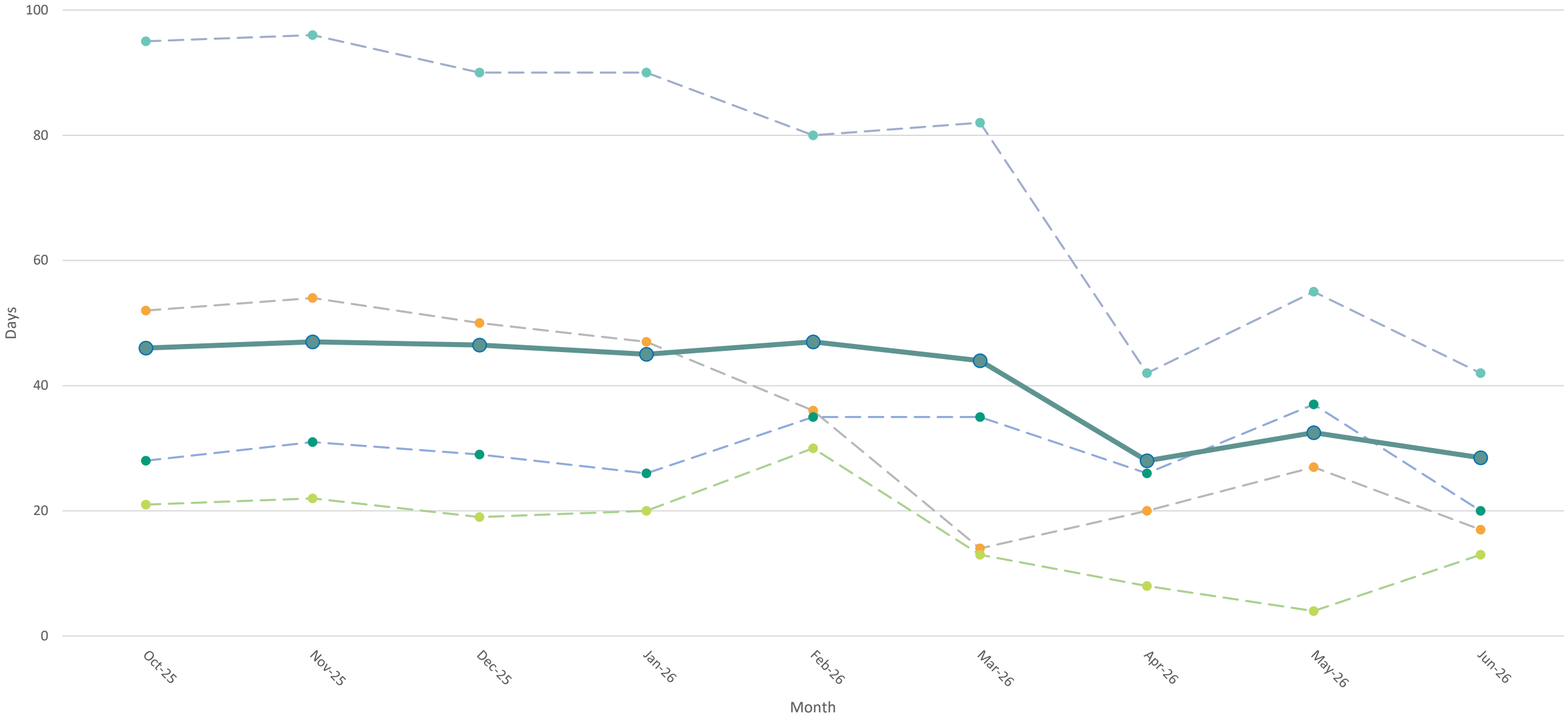
Reduce Appointment Wait Times to 2 Weeks or Less

Objective Score

0.57

Key Result (KR)	Target	Result (End of Jun)	Score	RAG Status (Red/Amber/ Green)
KR 1: Open Access Pilot (OAP) Baseline: 94 days	14 Days	42 Days	0.65	
KR 2: Women's Health Service Line Transformation (Reduce Initial Visit Wait time to 14 Days) Baseline: 28 days	14 Days	20 Days	0.57	
KR 3: PNC Access - Increase service level to 80% of calls answered within 90 seconds	80%	17%	0.21	
KR 4: Dental Access - Use Standby process to mitigate No Shows - (x% of no shows mitigated) Baseline: 45%	50%	47%	0.40	
KR 5: Telehealth - Save 1 out of every 50 No Show (Medical) by converting to telehealth Baseline 1 : 102	1:50	1:20	1.0	

Medical New Patient Lead Time Trends

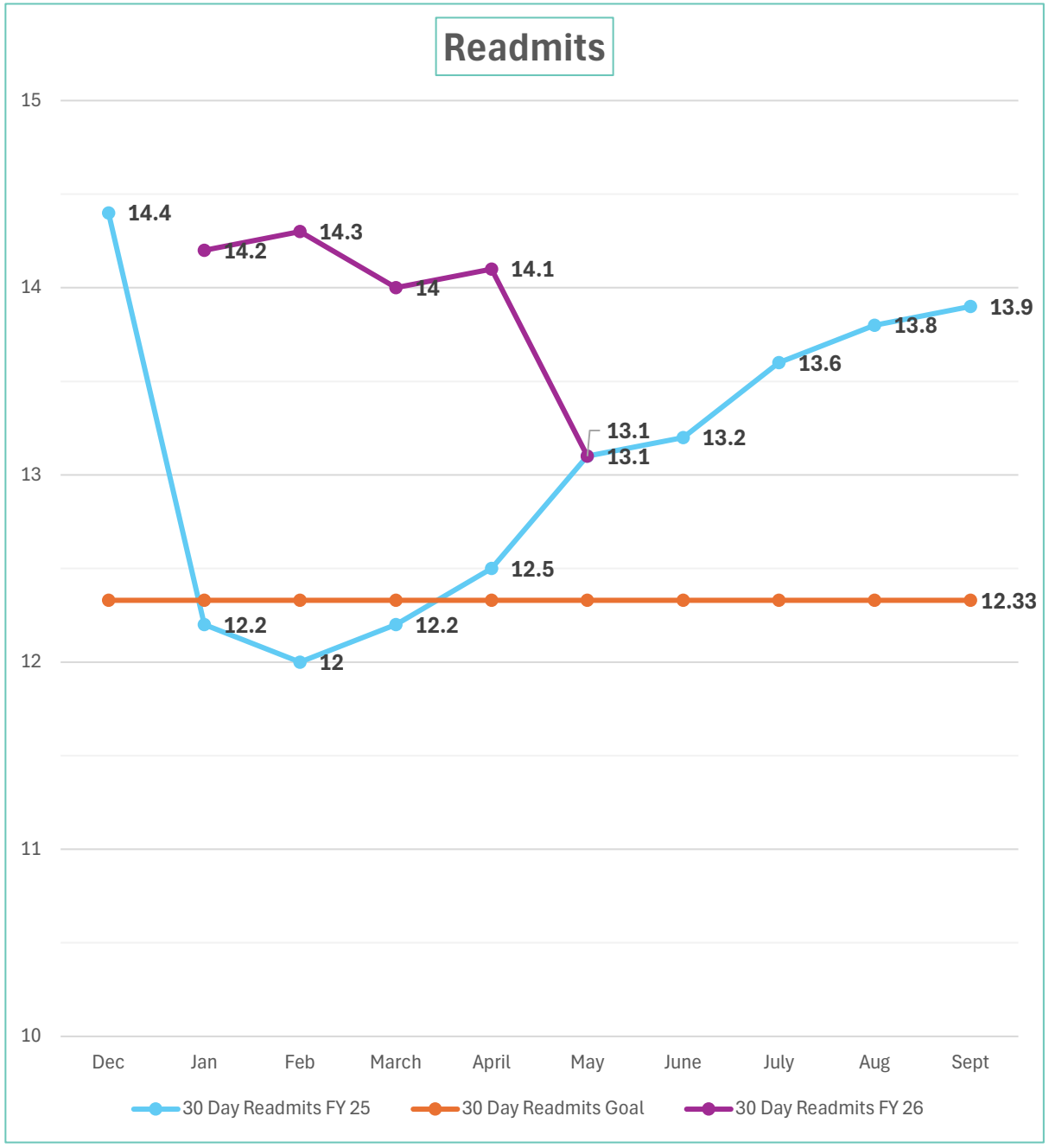


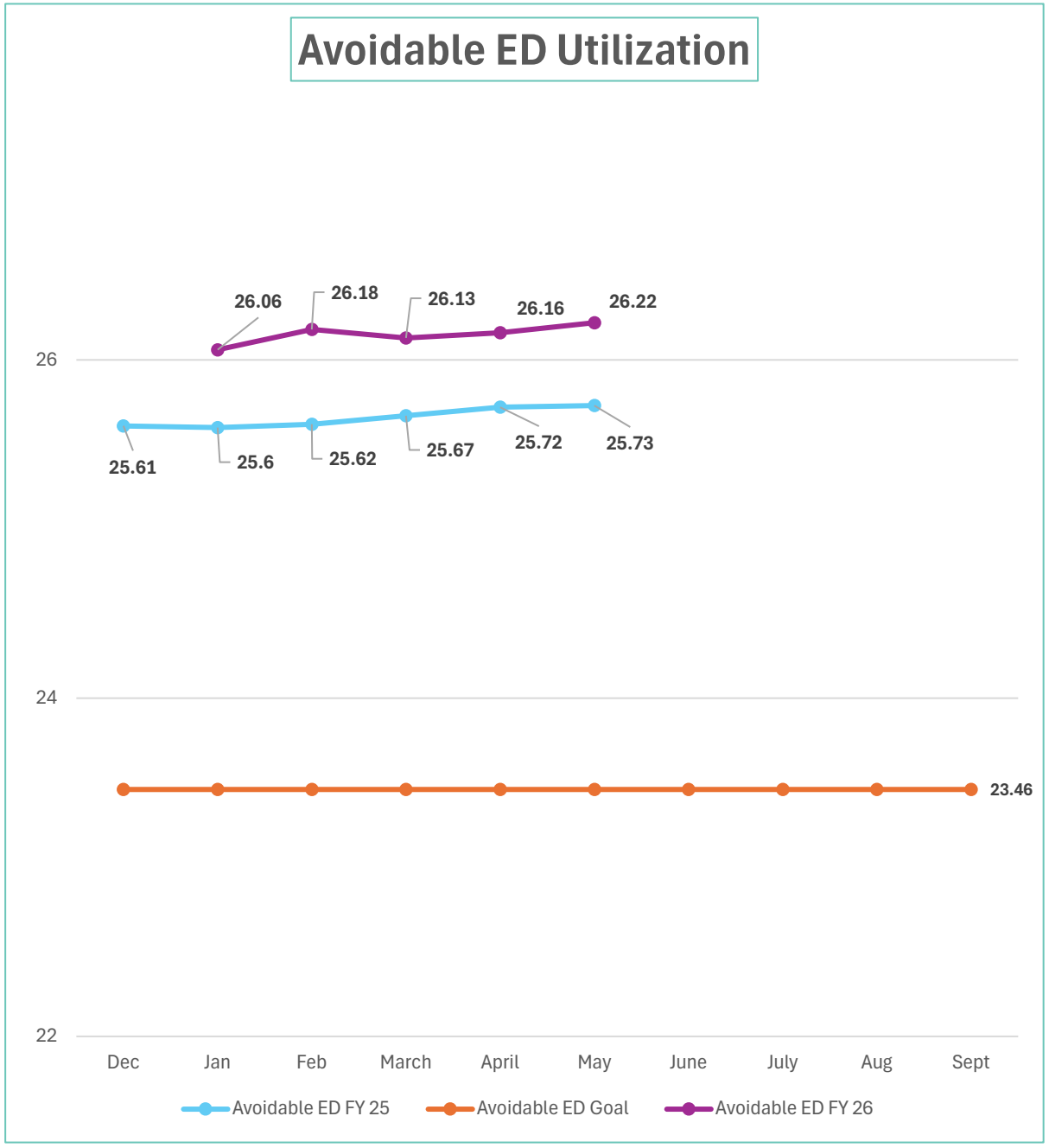
Reduce Avoidable Readmissions and ED Utilization by 10%

Objective Score

0.68

Key Result (KR)	Target	Result	Score	RAG Status
KR 1: *Data Evaluation and Understanding Drivers by Q3*	Yes	Yes	1.0	
KR 2: *Institute System Interventions by Q3*	Yes	Yes	1.0	
KR 3: *Increase Patient Engagement*	Yes	Yes	1.0	
KR 4: Reduce Readmissions by 10% (Jan-26 Baseline: 14.2%)	12.3%	13.1%	0.42	
KR 5: Reduce Avoidable ED Utilization by 10% (Jan-26 Baseline: 26.1%)	23.5%	26.2%	0.0	


Readmits
15
14
13
12
11
10
14.4
14.2
14.3
14
14.1
13.1
13.1
13.2
13.6
13.8
13.9
12.2
12
12.2
12.5
12.33
Dec
Jan
Feb
March
April
May
June
July
Aug
Sept
30 Day Readmits FY 25
30 Day Readmits Goal
30 Day Readmits FY 26


Avoidable ED Utilization
26
24
22
26.06
26.18
26.13
26.16
26.22
25.61
25.6
25.62
25.67
25.72
25.73
23.46
Dec
Jan
Feb
March
April
May
June
July
Aug
Sept
Avoidable ED FY 25
Avoidable ED Goal
Avoidable ED FY 26

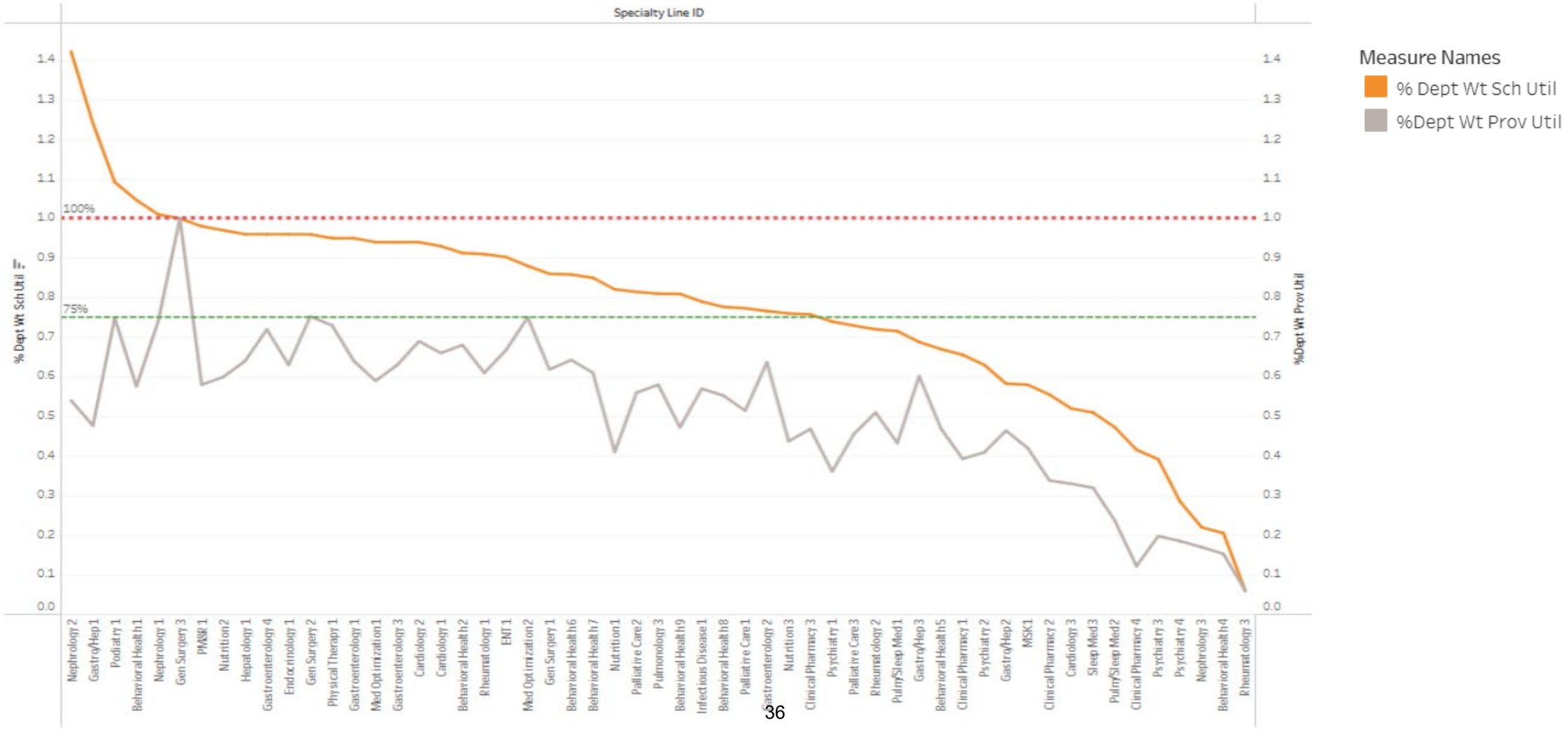
Achieve System-Wide Resource Utilization of 75%

Objective Score

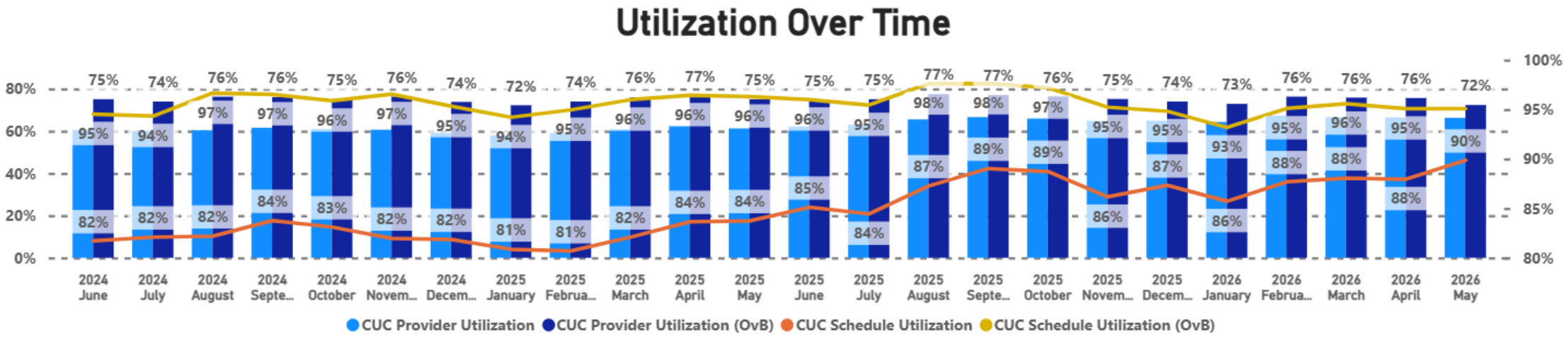
0.15

Key Result (KR)	Target	Result	Score	RAG Status (Red/Amber/ Green)
KR 1: *Provider schedule utilization at 75% (or below) (CH)*	100%	36%	0.36	
KR 2: *Provider schedule utilization at 75% (or below) (CUC)*	100%	9%	0.09	
KR 3: Develop CUC/CH integrated view of Schedule Utilization	YES	NO	0.0	

CH Provider-level Schedule & Provider Utilization (June 2026)



CUC Schedule & Provider Utilization



Service Line (Modality)	CUC Provider Utilization	CUC Provider Utilization (OvB)	CUC Schedule Utilization	CUC Schedule Utilization (OvB)	CUC Percent OvB
MEDICAL	63.5%	76.7%	84.77%	96.6%	15.1%
PULMONARY DISEASE	19.4%	87.0%	28.32%	94.5%	68.9%
CARDIOLOGY	53.3%	65.6%	75.16%	86.4%	14.8%
DERMATOLOGY	63.6%	72.3%	92.33%	91.8%	12.5%
GASTROENTEROLOGY	62.3%	69.6%	82.36%	87.8%	7.8%
ENDOCRINOLOGY	67.6%	72.5%	89.71%	92.1%	7.7%
PODIATRY	64.3%	67.6%	89.26%	89.3%	4.4%
RHEUMATOLOGY	74.7%	77.0%	92.25%	94.3%	3.1%
NEUROLOGY	68.7%	69.6%	93.45%	93.8%	1.2%

*Reflects utilization as of May 2026

*Estimated CUC Schedule Utilization based on Epic Schedule Utilization for licensed providers (ex. physicians, APPs, dentists, hygienists, counselors, therapists) – methodology subject to error but used as an approximation

Build a Comprehensive, Equitable Health Care System

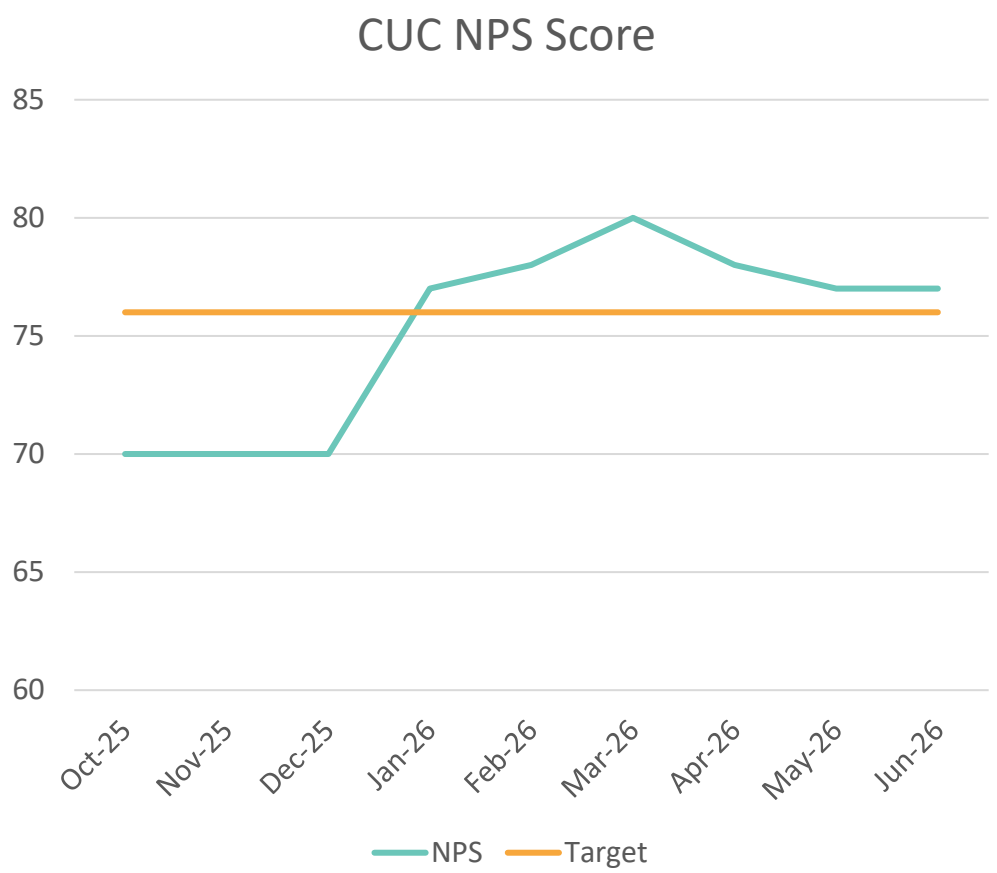
Increase Patient Net Promoter Score by 5%

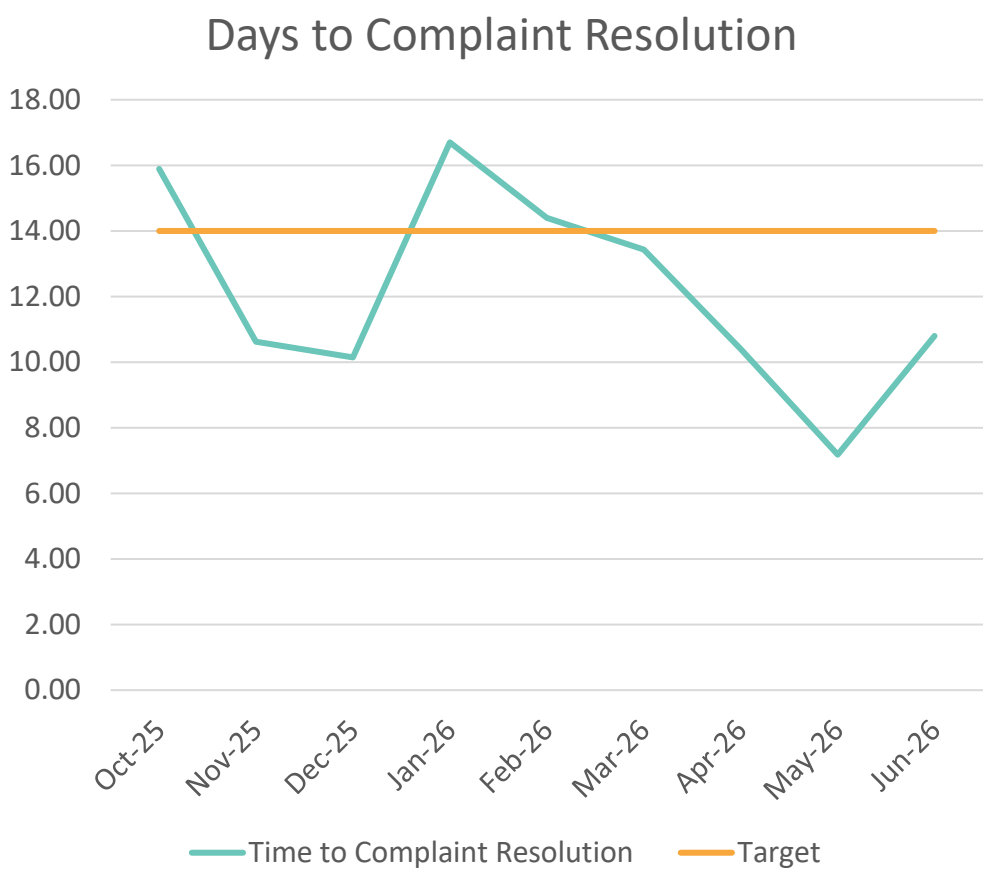
Objective Score

0.85

Key Result (KR)	Target	Result	Score	RAG Status (Red/Amber/ Green)
Increase Patient Net Promoter Score by 5%	76	77	1.0	
Time to complaint resolution down by 5% (Target: 14 days)	5%	6.4%	1.0	
Patient Cycle time reduction by 5% (Target: 80 minutes)	5%	4.4%	.88	
Front line MAC training penetration of 95%	95%	50%	.52	

NPS Metrics


CUC NPS Score
85
80
75
70
65
60
Oct-25
Nov-25
Dec-25
Jan-26
Feb-26
Mar-26
Apr-26
May-26
Jun-26
NPS
Target


Days to Complaint Resolution
18.00
16.00
14.00
12.00
10.00
8.00
6.00
4.00
2.00
0.00
Oct-25
Nov-25
Dec-25
Jan-26
Feb-26
Mar-26
Apr-26
May-26
Jun-26
Time to Complaint Resolution
Target

Patient Experience & Reputation Management Transformation

Legacy State (SurveyMonkey)	Current State (Qualtrics XM)
Survey Vendor	Experience Management Platform
Limited reporting	Advanced analytics, benchmarking, and insights
Inability to monitor online reputation as a whole	Integrated reputation management
Static feedback collection	Closed-loop patient engagement
Manual processes	Automated workflows and alerts

From measuring Patient Experience → To managing Patient Experience

Greater Visibility	Faster Action	Greater Capability
Unified patient feedback	Real-time engagement	Scalable platform

COMMUNITYCARE™ HEALTH CENTERS

Value Already Being Realized

Strong Patient Engagement

1,800+ responses collected

Providing an early foundation for experience insights and action planning

Faster Follow-Up

Same-Business Day Service Recovery

Prompt outreach helps address concerns quickly and improve the patient experience.

Insights at Every Level

Drill-Down Analytics for Leaders

Leaders can view insights by service line, clinic, provider, and other key areas.

Reputation Management

One Platform for Patient Feedback

Online reviews and patient feedback are now monitored, managed, and responded to in one place.

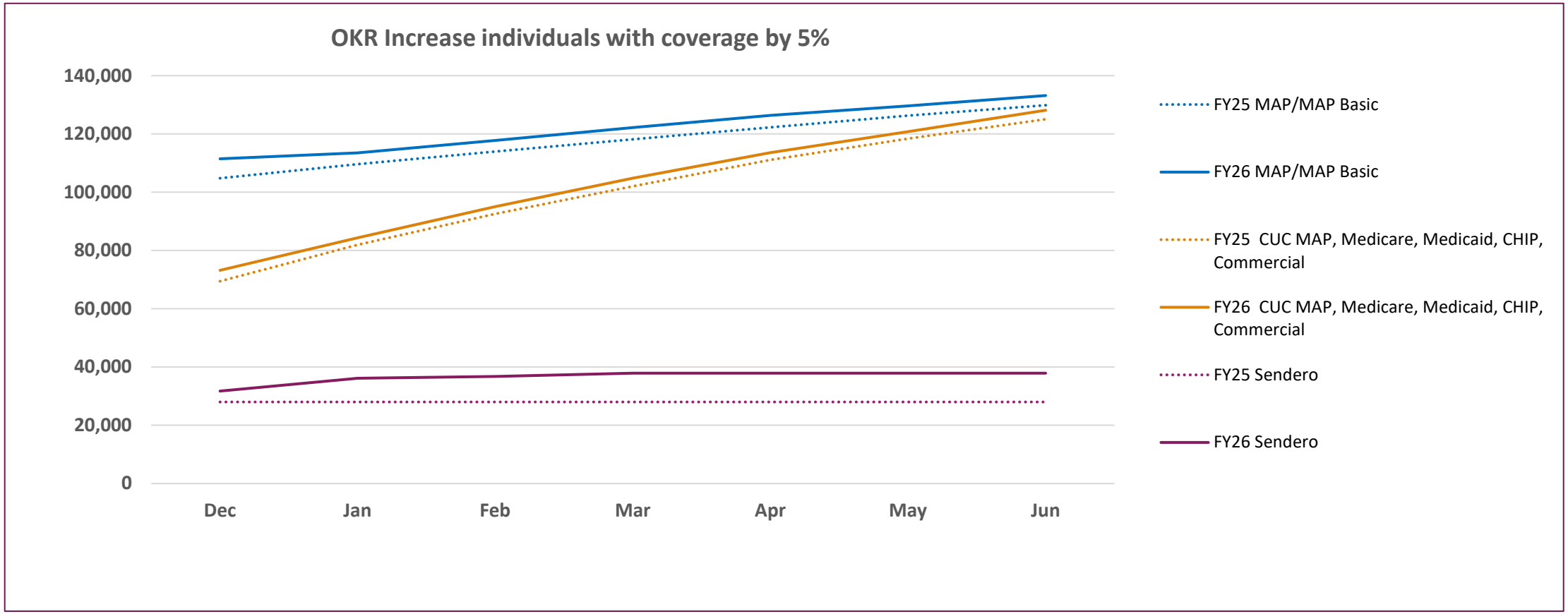
Increase unique patients with coverage by 5%

Objective Score

0.38

Key Result (KR)	Target	Result	Score	RAG Status (Red/Amber/ Green)
KR 1: Set FY25 Baseline and FY26 Targets	Yes/No	No	0	
KR 2: Increase the number of children and pregnant women enrolled in Medicaid, CHIP and CHIP Perinate coverage by 5%	5%	-3%	0	
KR 3: Increase the number of unique individuals enrolled in MAP/MAP Basic by 5%	5%	2.6%	.52	
KR 4: Increase total Sendero enrollment from 2025 to 2026 by 5%	5%	35.3%	1	

OKR: Increase unique patients with coverage by 5%



Note: CUC Coverage includes MAP, MAP Basic, Medicare, Medicaid, CHIP and Commercial Insurance

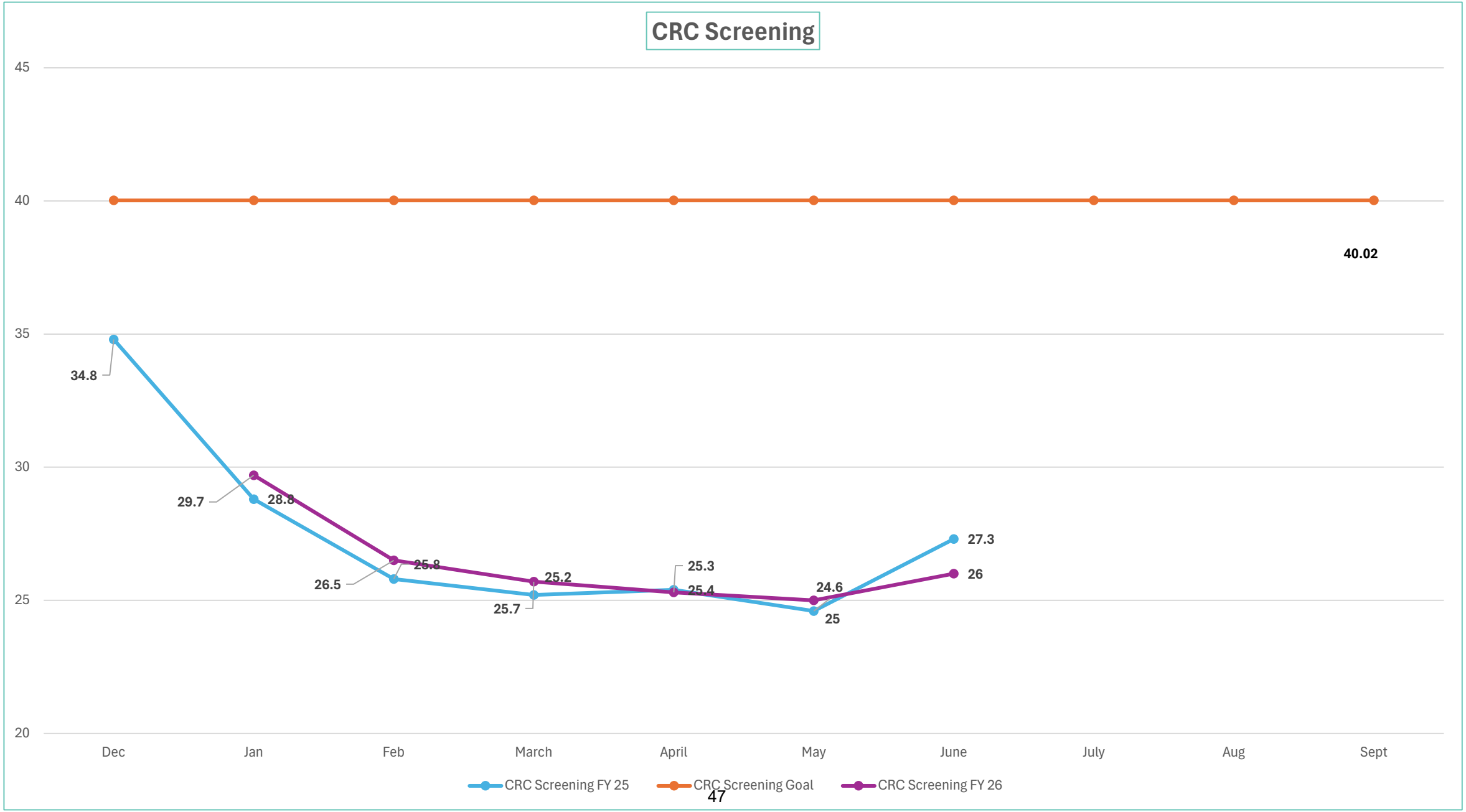
Close 3 Quality Care Gaps by 15%

Objective Score

0.48

Key Result (KR)	Target	Result	Score	RAG Status
KR 1: By end of Q3, improve CRC Screening by 11.25% from baseline ***11.25% for three-quarters of the 15% annual goal**	38.7% (34.8%+34.8*0.1125)	26	0	
KR 2: By end of Q3, improve Entry to Prenatal Care by 11.25% from baseline	46.7% (42%+42*0.1125)	56	1	
KR 3: By end of Q3, improve A1C Reduction > 9 by 11.25% from baseline	24.3% (27.4%-27.4*0.1125)	31	0.44	


A1C >9
45
40
35
30
25
20
15
41
38.6
38.6
35.8
33.1
31.6
27.4
37.4
38.6
36.6
34.4
32
31
24.26
Dec
Jan
Feb
March
April
May
June
July
Aug
Sept
A1C Out of Control >9 FY 25
A1C Out of Control >9 Goal
A1C Out of Control >9 FY 26


CRC Screening
45
40
35
30
25
20
40.02
34.8
29.7
28.8
26.5
25.8
25.2
25.7
25.3
25.4
24.6
25
27.3
26
Dec
Jan
Feb
March
April
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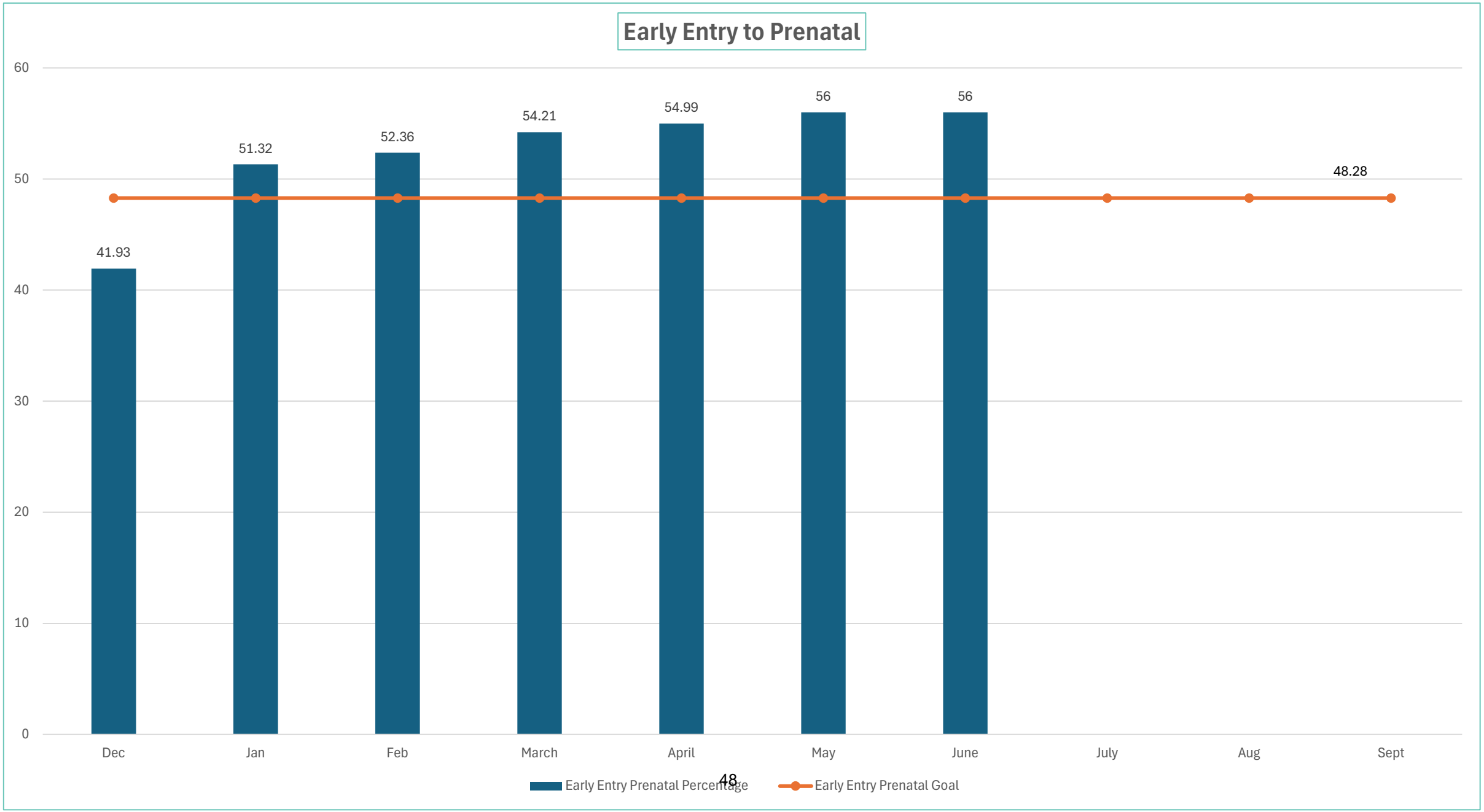
June
July
Aug
Sept
CRC Screening FY 25
CRC Screening Goal
CRC Screening FY 26


Early Entry to Prenatal
60
50
40
30
20
10
0
41.93
51.32
52.36
54.21
54.99
56
56
48.28
Dec
Jan
Feb
March
April
May
June
July
Aug
Sept
Early Entry Prenatal Percentage
Early Entry Prenatal Goal

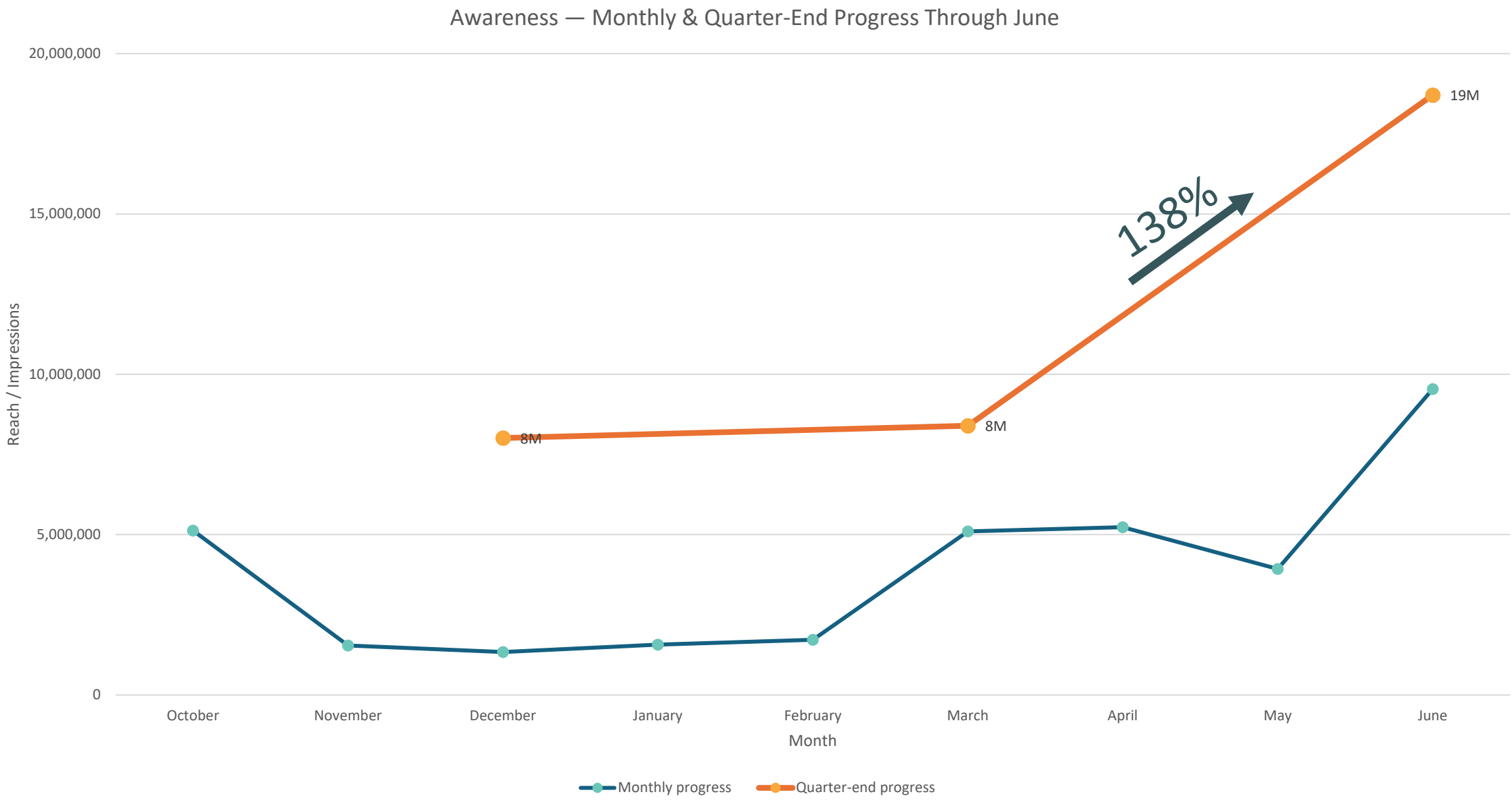
Demonstrate the Value of Community Support

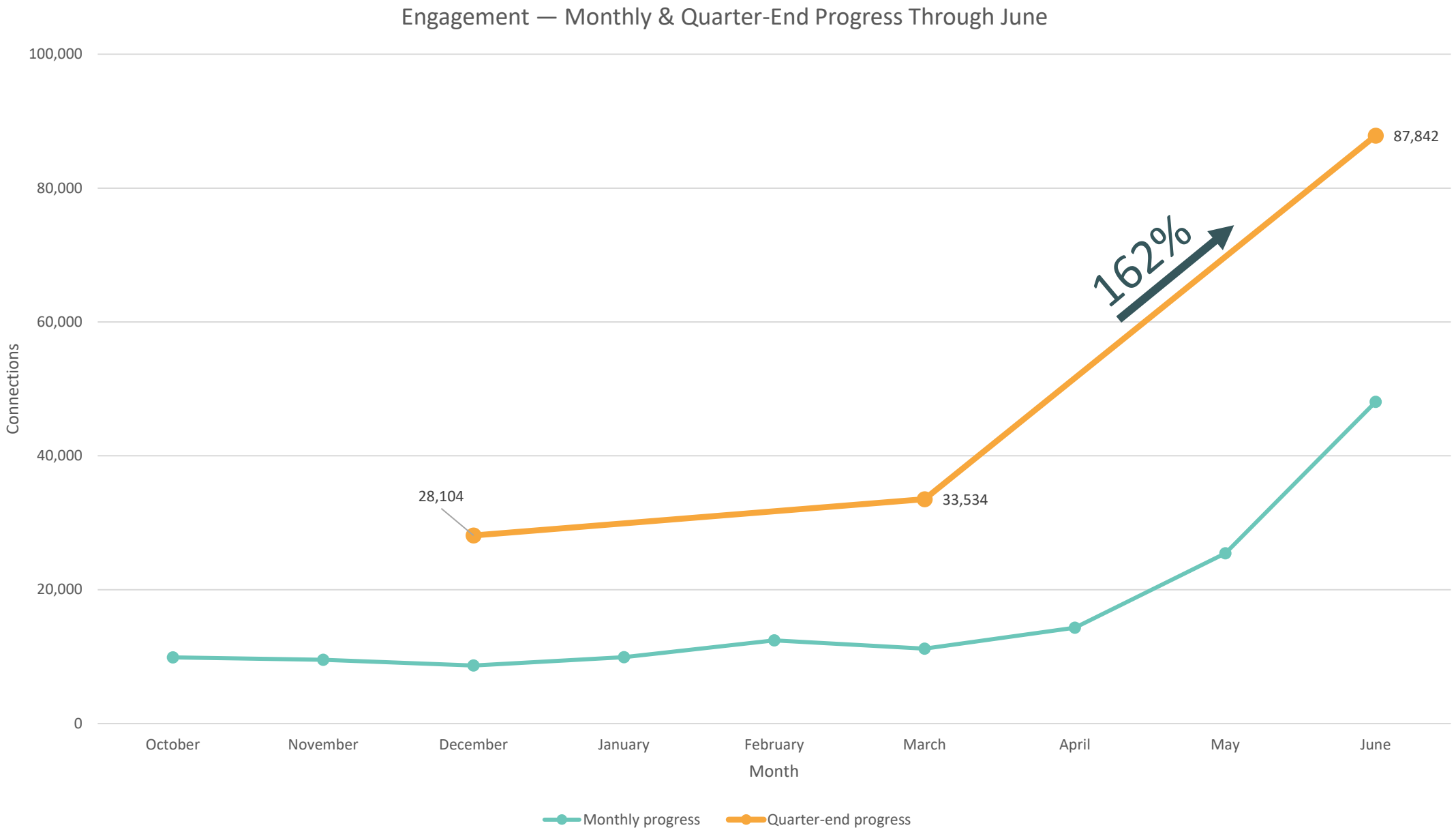
Increase Community Support for Central Health by 5%

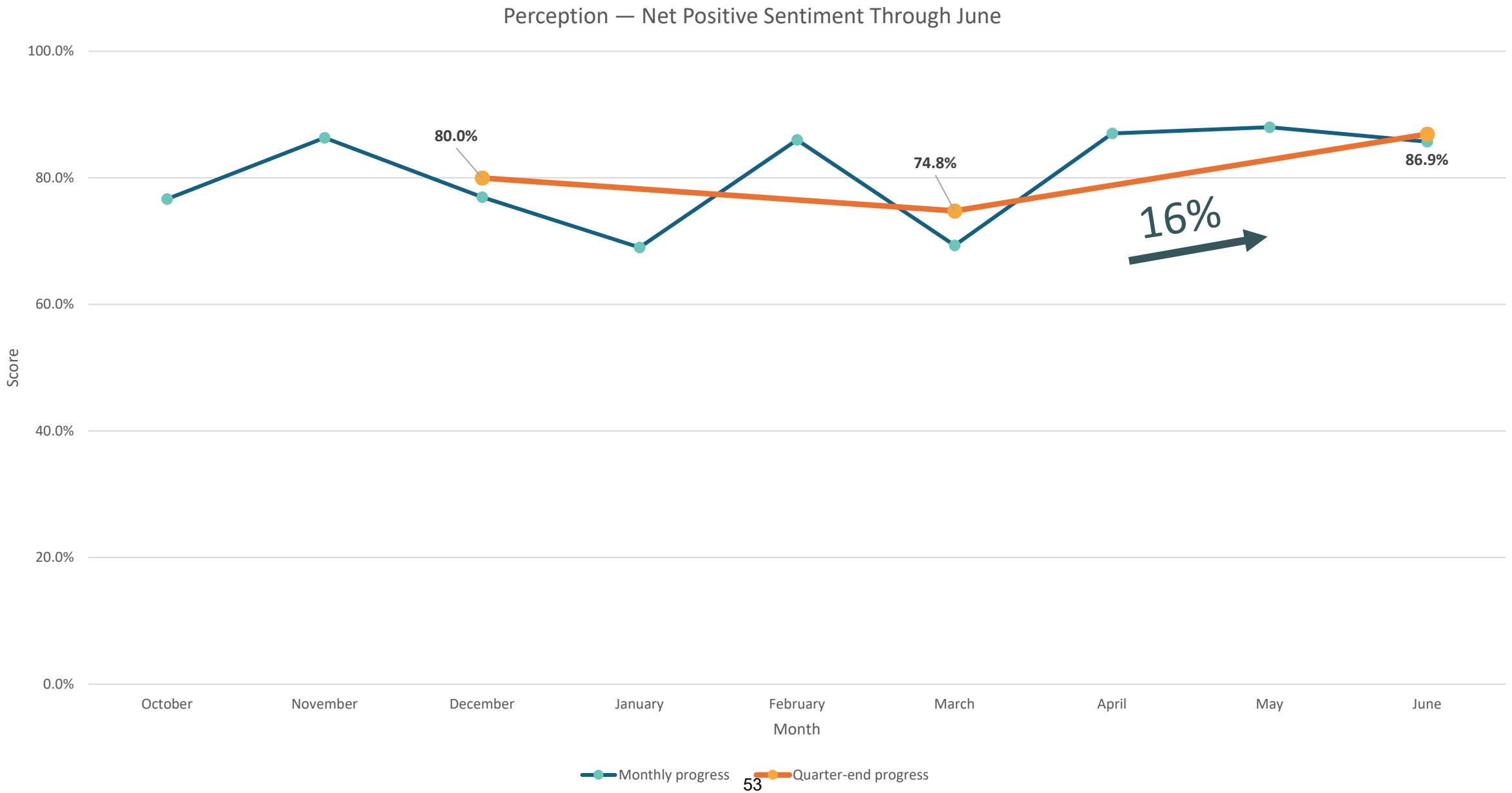
Objective Score

0.97

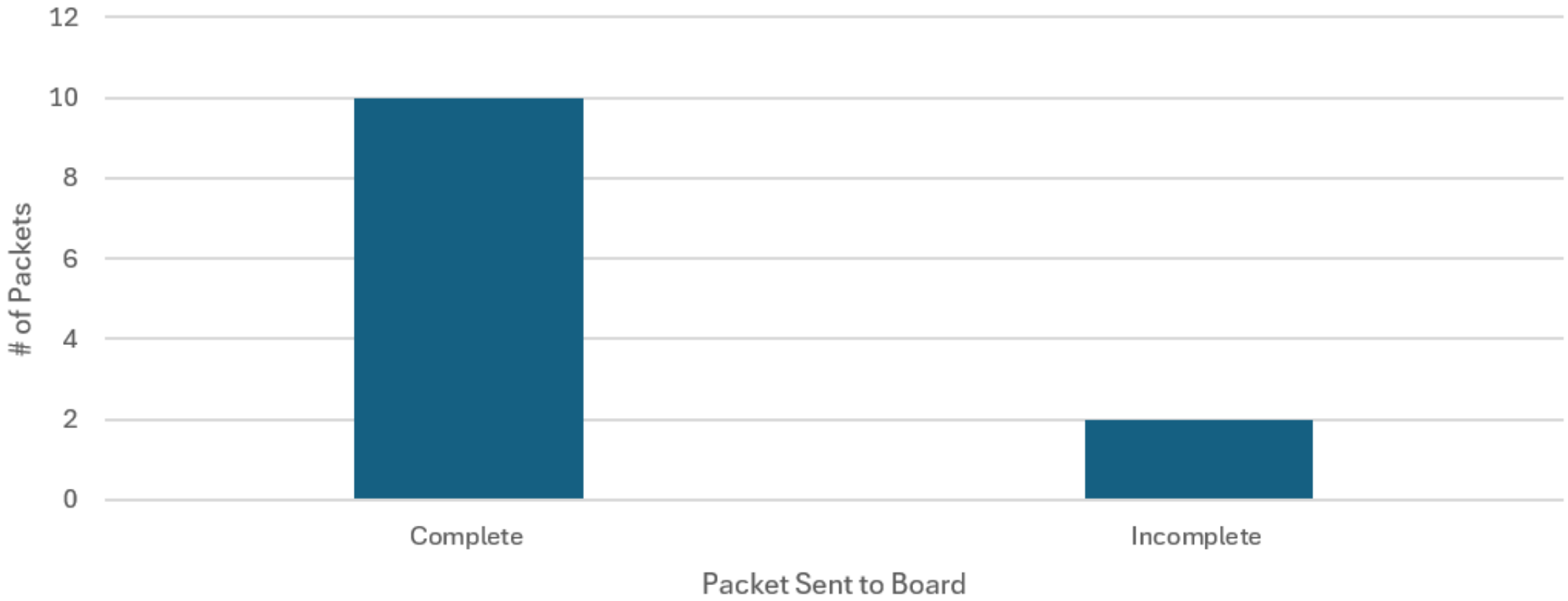
Key Result (KR)	Target	Result	Score	RAG Status (Red/Amber/ Green)
KR 1: Increase campaign impressions across all channels (digital, media, and in-person combined) by 10% from the previous quarter.	↑10%	↑138%	1	
KR 2: Increase engagements across all channels (digital, media, and in-person combined) by 10% from the previous quarter.	↑10%	↑162%	1	
KR 3: Maintain a ≥80% net-positive sentiment score across all channels (digital, media, and in-person averaged).	Y	Y	1	
KR 4: Improve Strategic Alignment & Trust Between Board and Management in Q3	100%	83%	0.83	
KR 5: Maintain >90% positive/neutral sentiment score across all interaction with elected officials and their staff by FY 2026 Q3.	90%	100%	1	


Awareness — Monthly & Quarter-End Progress Through June
20,000,000
15,000,000
10,000,000
5,000,000
0
Reach / Impressions
19M
8M
8M
138%
October
November
December
January
February
March
April
May
June
Month
Monthly progress
Quarter-end progress


Engagement — Monthly & Quarter-End Progress Through June
100,000
80,000
60,000
40,000
20,000
0
Connections
87,842
162%
28,104
33,534
October
November
December
January
February
March
April
May
June
Month
Monthly progress
Quarter-end progress

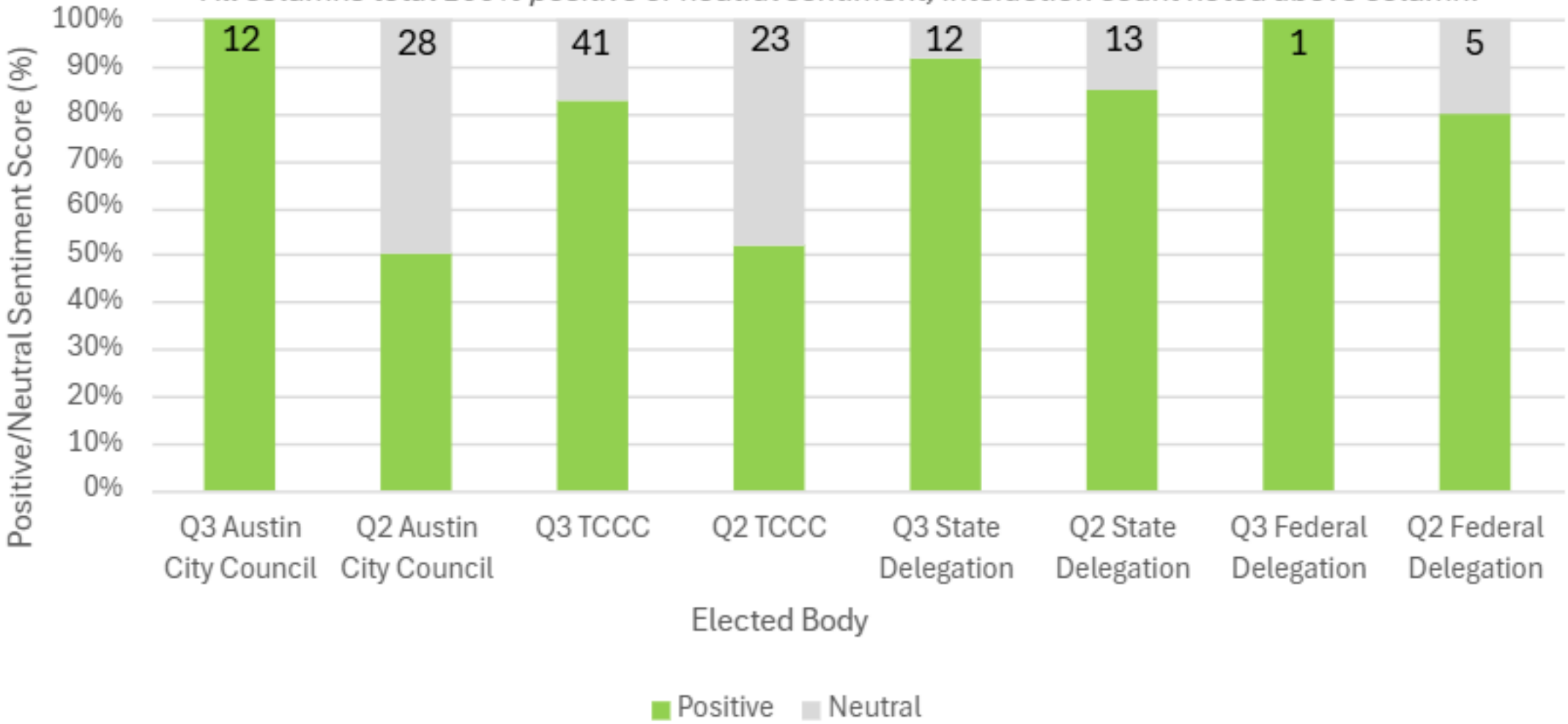

Perception — Net Positive Sentiment Through June
100.0%
80.0%
60.0%
40.0%
20.0%
0.0%
Score
80.0%
74.8%
86.9%
16%
October
November
December
January
February
March
April
May
June
Month
Monthly progress
Quarter-end progress

KR4: Distribute Board and Committee meeting packets, including Executive Committee, Strategic Planning Committee, Budget and Finance Committee and regular Board of Managers meetings, one week in advance of meeting



KR 5: Maintain Greater Than 90% Positive/Neutral Sentiment Score For All Interactions with Elected Officials and Staff

All columns total 100% positive or neutral sentiment, interaction count noted above column.



Reduce Avoidable System Duplication by 50%

Objective Score

0.40

Key Result (KR)	Target	Result	Score	RAG Status (Red/Amber/ Green)
KR 3: Integrate Phase II system components (Q2) - Provider credentialing - Ambulatory specialty care - Transportation Solutions - Process Improvement - Revenue Cycle	5	2	.4	
KR 4: Integrate Phase III system components (Q3): - Technology de-duplication - Supply chain - Biomedical - Language Access Solutions - System Hancock Operations & Administration	5	2	.4	

Reduce Avoidable System Duplication by 50%		*Month 1*	*Month 2*	*Month 3*	*Month 4*	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 13
KEY RESULT AND INITIATIVE DESCRIPTION	**STATUS**	**25-Sep**	**25-Oct**	**25-Nov**	**25-Dec**	**26-Jan**	**26-Feb**	**26-Mar**	**26-Apr**	**26-May**	**26-Jun**	**26-Jul**	**26-Aug**	**26-Sep**
Develop a prioritized list of 20 areas for integration across system leadership and quarterly focus areas.	Complete													
Survey system leaders for possible areas of avoidable duplication	Complete													
Prioritize list with system executives	Complete													
Develop agreed upon list for quarterly areas of focus	Complete													
Phased implementation of system integrations	Complete													
Healthcare for the Homeless	Complete													
Epic	Complete													
Pharmacy	Complete													
Addiction Medicine	Complete													
Eligibility & Financial Screening	Complete													
Provider Credentialing	Overdue													
Ambulatory Specialty Care	Overdue													
Process Improvement	Complete													
Transportation Solutions	Overdue													
Revenue Cycle	Complete													
Technology de-duplication	In Progress													
Supply Chain	Complete													
Biomedical	In Progress													
Language Access Solutions	Complete													
System Hancock Operations & Administration	In Progress													
Medical Management, Case Management & Utilization	In Progress													
Analytics & Data Engineering	Complete													
External Affairs	Not Started													
Data Sharing Infrastructure	In Progress													
Marketing & Communications	Not Started													

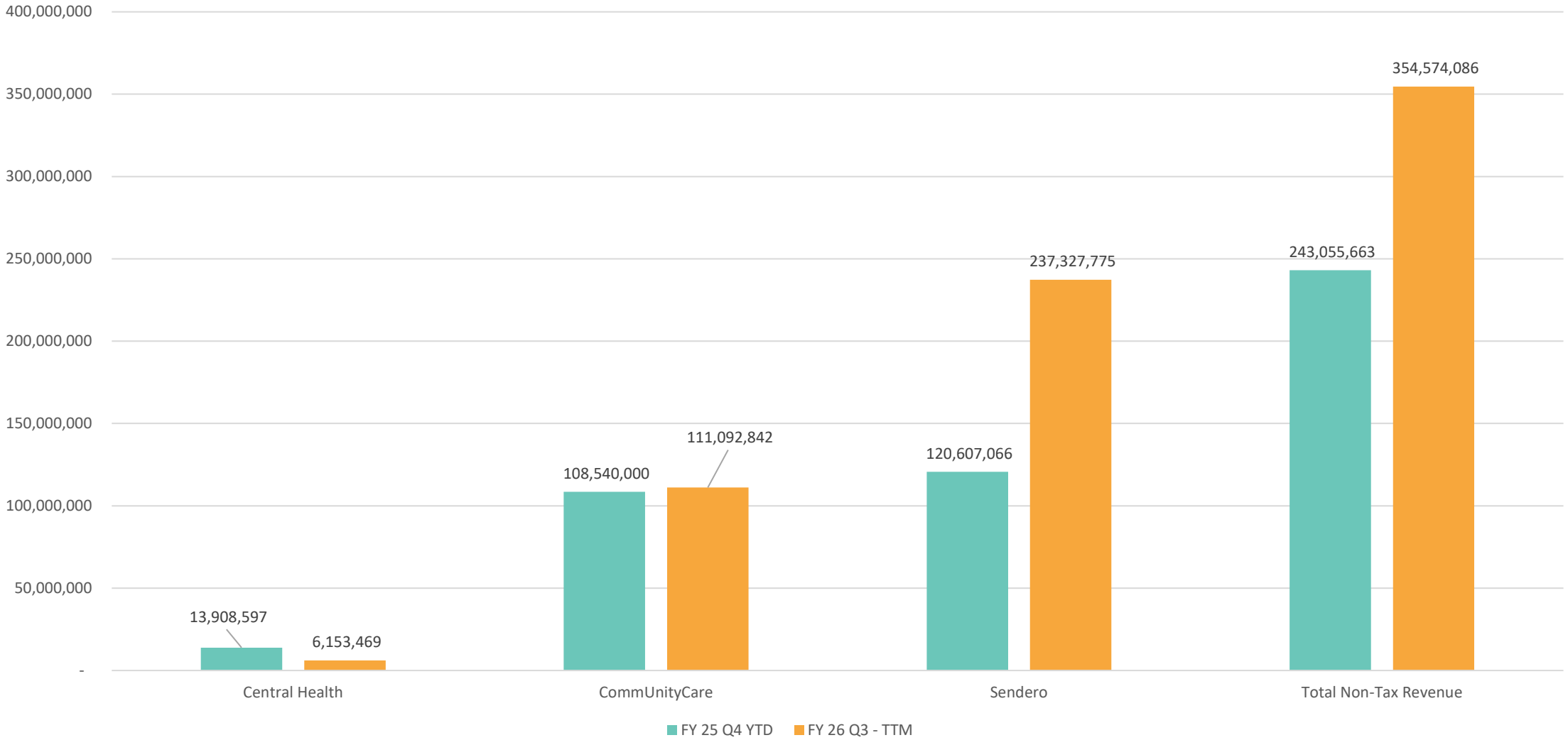
Increase Non-Tax Revenue by 2%

Objective Score

0.40

Key Result (KR)	Target	Result	Score	RAG Status (Red/Amber/ Green)
Increase pharmacy margin by 15%	.15	-0.2	0	
Establish a CH philanthropic entity (5 phil. Opportunities)	5	3	0.6	
Increase 3rd party payer revenue to CH and CUC by $3 million	$3M	-$5M	**0**	
Increase grant funding for CH and CUC initiatives (3 grant awards)	3	3	**1**	

Non-Tax Revenue FY 26 vs. FY 25 Trailing 12 Months



Empower and Develop our Team

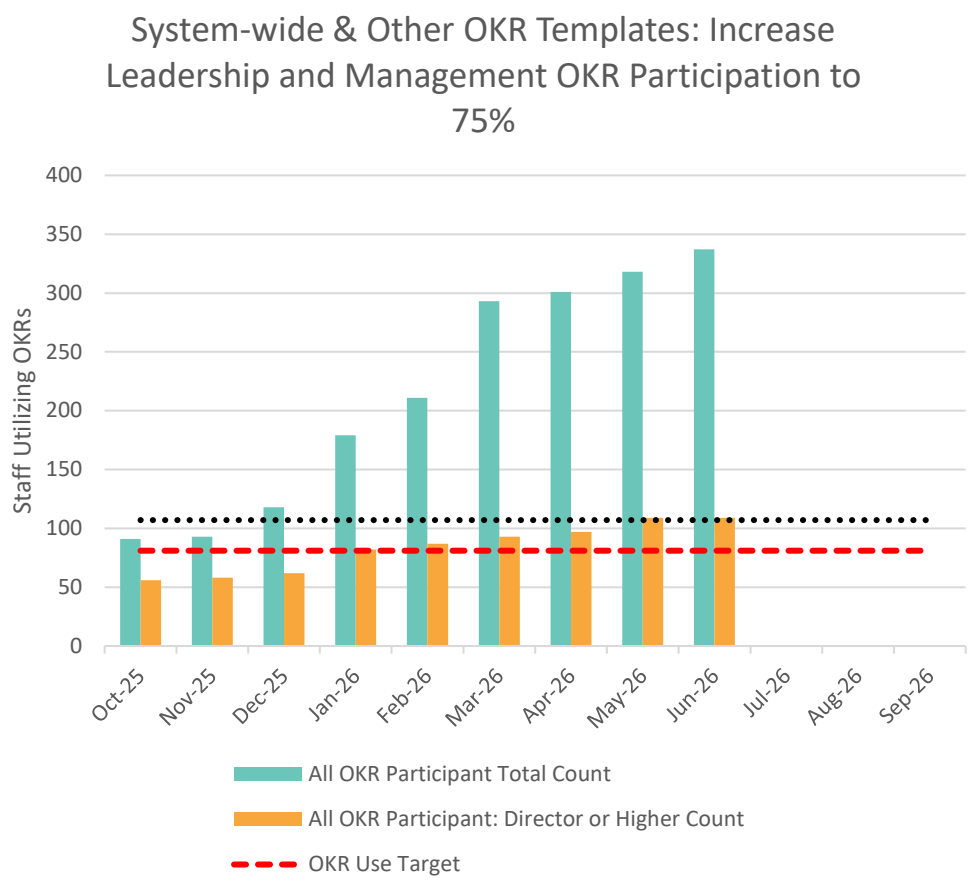
Increase Non-Tax Revenue by 2%

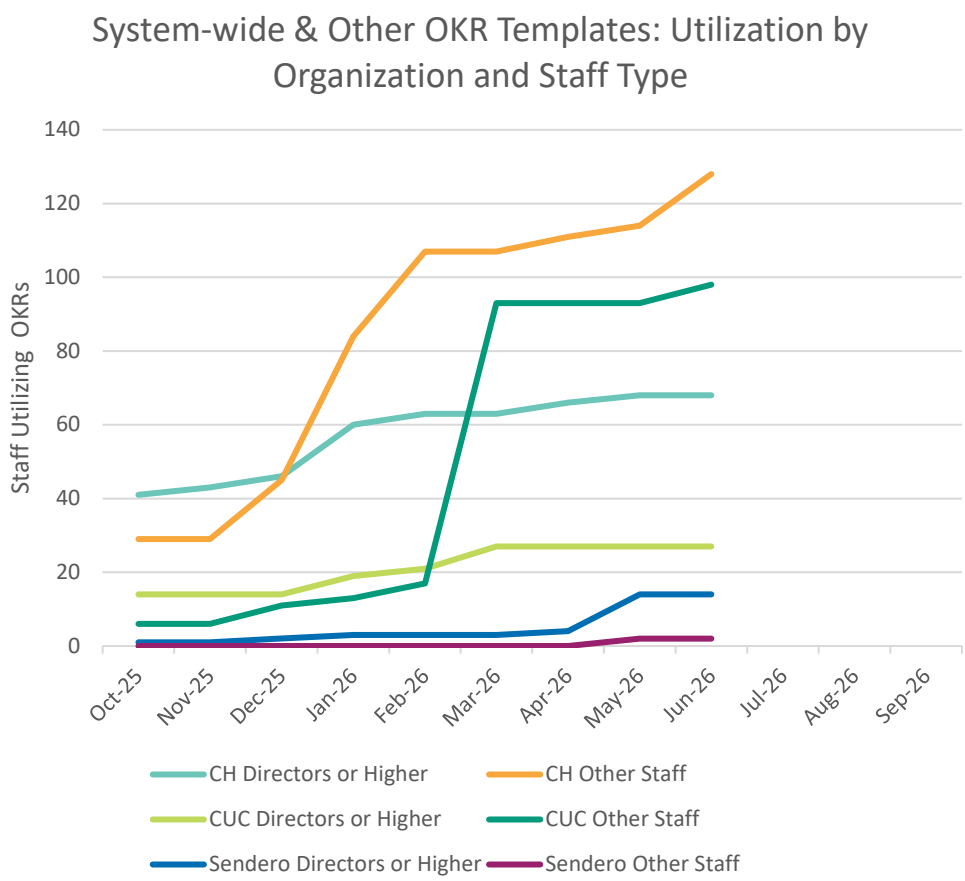
Objective Score

0.40

Key Result (KR)	Target	Result	Score	RAG Status (Red/Amber/ Green)
Increase pharmacy margin by 15%	.15	-0.2	0	
Establish a CH philanthropic entity (5 phil. Opportunities)	5	3	0.6	
Increase 3rd party payer revenue to CH and CUC by $3 million	$3M	-$5M	**0**	
Increase grant funding for CH and CUC initiatives (3 grant awards)	3	3	**1**	

Staff Utilizing OKR Templates





Increase Team Member Satisfaction Score by 2%

Objective Score

0.57

Key Result (KR)	Target	Result	Score	RAG Status
KR 1: *Advance System Maturity & HRSD Readiness Across the UKG Ecosystem*	3	1	0.33	
KR 2: *Increase Operational Accuracy & Reduce Manual Friction*	2	1	0.50	
KR3: *Develop the People Department's FY27 – 30 Strategic Plan*	2	1	0.50	
KR4: *Establish & Implement a Robust Team Member Engagement Strategy & Action Planning*	3	2	0.67	
KR5: *Implement Strategic Talent Acquisition & Onboarding Transformation*	3	2	0.67	
KR6: *Increase Team Member Retention*	3	2	0.67	
KR7: *Implement a Comprehensive Leadership Development Competency IDP Program*	4	3	0.75	
KR8: *Scale and Enhance Development & Ongoing Education*	5	1	0.20	
KR9: *Enhance Team Member Engagement & Understanding of Total Rewards & Wellbeing Benefits (1 initiative assigned is still in progress and not due until end of FY)*	5	4	0.80	

FY2026 Q3 Data

Self-Service People Analytics Adoption at Scale

Praisidio & SharePoint utilization · Q3 FY2026 (Apr 15 – Jul 14, 2026)

186

Unique users self-serving People data

4,747

Total report views no manual builds

60

Active data collections in production

172

Prompts downloaded users building own queries

Flagship self-service products replacing manual reporting

People Activity Report FY26

1,096 views · 52 users

PAR retired from manual production

Talent Acquisition Dashboard

1,008 views · 136 users

Broadest reach of any product

Credentials Audit + PCN & Staffing

267 views · 50 downloads

Feeds Q4 Ops Data Audit

Driven by migration of core People reporting from manual production to governed self-service (Praisidio + SharePoint)

2026 Data

Action Planning Across Our System			
System-Wide Action Planning Completion Rate **77%**	CH Action Planning Completion Rate **83%**	CUC Action Planning Completion Rate **74%**	Sendero Action Planning Completion Rate **56%**

as of Tuesday, April 14, 2026

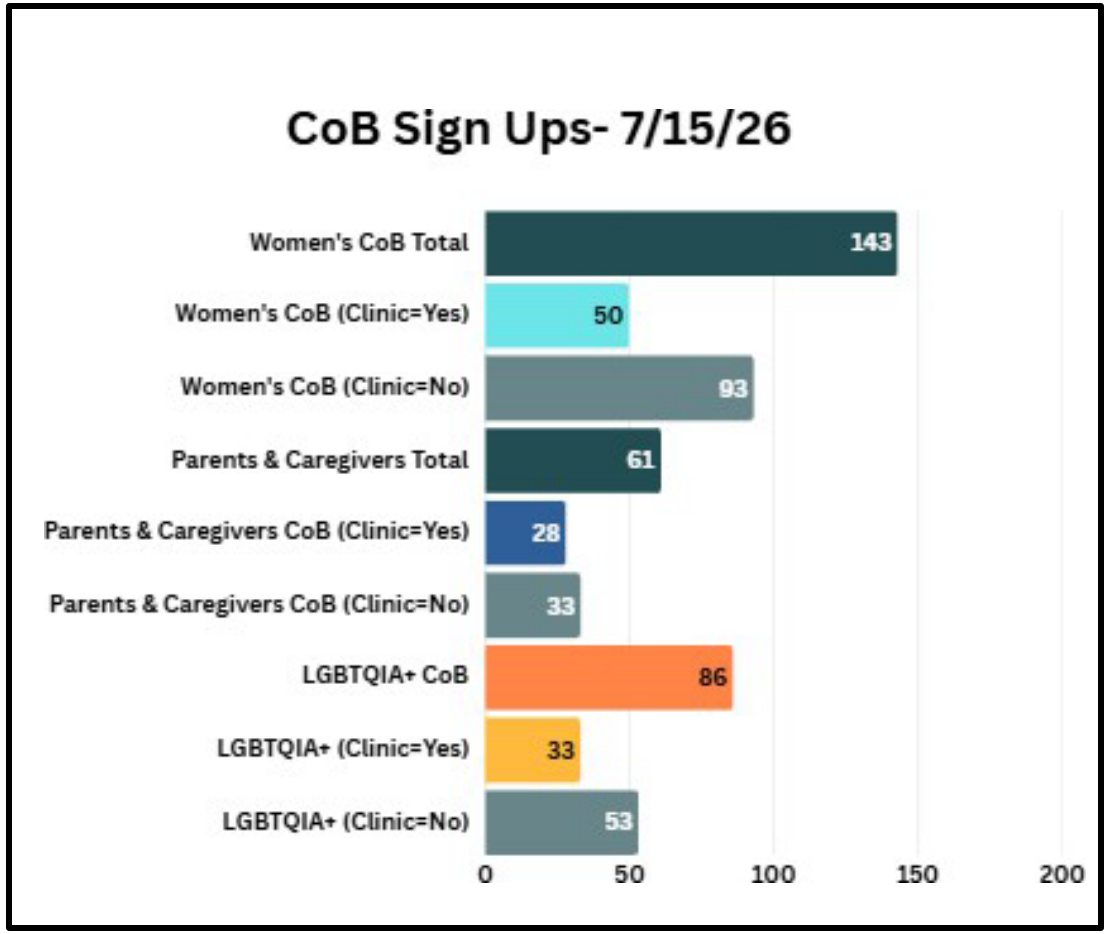
Increase Team Member Sense of Belonging by 5%

Objective Score

0.94

Key Result (KR)	Target	Result	Score	RAG Status (Red/Amber/ Green)
KR 1: *Launch & Stabilize CommUnities of Belonging*	3	3	1	
KR 2: *Enhance Workplace Recognition through Equity Designations*	3	3	1	
KR 3: Continue evolving WFA Council into a system driver for innovation	4	3	0.75	
KR4: *Increase Operational Accuracy & Reduce Manual Friction*	1	1	1	

2026 WFA Program Data



Belonging Highlights

"Today's gathering/event strengthened my sense of belonging."

Score distribution: (*0 Strongly Disagree – 5 Strongly Agree*)

- 3 system-wide events attended by 212 team members
- Team members rated the belonging impact of our events at 4.57 out of 5 on average

WFA Specific Program Highlights

Workforce Advocacy Council hosted a Juneteenth webinar led by Dr. Javier Wallace

- 61 virtual attendees (Including Dr. Lee and Tara Trower)
- 72% of survey respondents rated that the event exceeded their expectations
- Open Listen pilot established at 4 sites (SEHWC, Cesar Chavez, CEC, and Capital Plaza)

CommUnities of Belonging:

- 97% to our Year 1 goal of 200 CoB members, with three months to go
- Two lead planning summits were held where leads established their mission, vision, and priorities for the rest of the calendar year.

Parents and Caregivers CoB partnered with Wellbeing for a system-wide virtual "Naming the Reality" panel for Mental Health Awareness Month on 5/12.

- 100 % of survey respondents rated that the gathering strengthened their sense of belonging in the Central Health system
- Panelists included team members from Central Health and CommUnityCare

BUDGET & FINANCE COMMITTEE MEETING

August 12, 2026

AGENDA ITEM 3

Discuss and take appropriate action regarding an update on information related to Central Health Enterprise compensation philosophy. (*Action Item*)

AGENDA ITEM SUBMISSION FORM

This form is to provide a general overview of the agenda item in advance of posting for the Board meeting. Proposed motion language is a recommendation only and not final until the meeting and may be changed by the Board Manager making the motion. All information in this form is subject to the Public Information Act.

Agenda Item Meeting Date	08/12/2026
Who will present the agenda item? (Name, Title)	Jeannie Virden, EVP & Chief People Officer & Chris McLauchlin, Vice President of Total Rewards & Development
Notetaker (Name, Title)	Chris McLauchlin, Vice President of Total Rewards & Development
General Item Description	Presentation on Proposed Updated Compensation Philosophy
Is this an informational or action item?	Action Item
Fiscal Impact	Ongoing
Recommended Motion (if needed – action item)	Approve the revised Total Rewards Philosophy, including the addition of the Provider Total Clinical Cash Compensation (TCCC) Incentive Program.

Key takeaways about agenda item, and/or feedback sought from the Board of Managers:

1) Transition the current approved Compensation Philosophy to a broader Total Rewards framework.
2) Reinforce the consistent, system-wide approach to compensation and rewards across Central Health, CommUnityCare, and Sendero.
3) Modernize the approved Compensation Philosophy with operational and market insights learned since the last revision in 2020.
4) Ensure consistency, equity, and fiscal stewardship in how we design and administer compensation and benefits
5)

What backup will be provided, or will this be a verbal update? (Backup is due one week before the meeting.)	Attached PowerPoint presentation; executive summary of changes; and proposed Total Rewards Philosophy
Estimated time needed for presentation & questions?	30 minutes
Is closed session recommended? (Consult with attorneys.)	N/A
Form Prepared By/Date Submitted:	Jeannie Virden, August 5, 2026

Memorandum

TO: Central Health Board of Managers

cc: Dr. Pat Lee, Central Health President & CEO

FROM: Jeannie E. Virden, EVP & Chief People Officer
Chris McLauchlin, Vice President of Total Rewards & Development

DATE: Wednesday, August 5, 2026

SUBJECT: Executive Summary of Proposed Revisions to the Current Compensation Philosophy

Purpose

The proposed revisions to the current Compensation Philosophy transition the philosophy to a broader Total Rewards framework while reinforcing the consistent, system-wide approach to compensation and rewards across Central Health, CommUnityCare Health Centers, and Sendero Health Plans. The revisions modernize and standardize compensation practices previously maintained across the system while supporting a more comprehensive approach to attracting, retaining, and rewarding talent through competitive pay, benefits, recognition, and career opportunities.

Key updates include clarified compensation principles, defined governance and approval authorities, enhanced market-based pay structure guidance, and formalized frameworks for supplemental and incentive compensation programs. Collectively, these changes strengthen system alignment, support equitable and competitive rewards practices, and provide a scalable foundation for compliance, workforce management, and strategic talent objectives while reinforcing a consistent and transparent team member experience across the organization.

Context

The amended Total Rewards Philosophy builds upon the existing Compensation Philosophy by expanding the organization's view of rewards beyond base compensation to include the

broader elements of the team member experience, including benefits, recognition, and career growth opportunities. The philosophy continues to emphasize consistency, equity, fiscal stewardship, and market competitiveness while providing a unified framework to guide compensation and rewards decisions across the Central Health system.

Section	Key Change	Reason for Change
Purpose & Scope	Added a brief executive summary of the Total Rewards Philosophy across Central Health, CommUnityCare, and Sendero Health Plans	Reiterates the unified system compensation and rewards framework
Methodology & Program Review	Incorporated findings from operational and market reviews conducted between 2020 and 2026, including external market best practices and Austin-area labor market considerations	Ensures the philosophy reflects evolving workforce conditions, market competitiveness, and system needs
Adoption & Authority	Added a brief section summarizing the guiding principles and stating this version supersedes any previous version that may have been previously adopted.	Restates this is the only guiding principles and document regarding the unified compensation and rewards system.
Market Positioning	Confirmed target market positioning at approximately the 50th percentile / market median for most positions, while allowing flexibility for hard-to-fill or high-demand roles with leadership approval	Supports competitive compensation practices while maintaining fiscal stewardship and recruitment flexibility
Merit & Market Adjustments	Added compensation governance framework and approval authority language	Preserves pay differentiation for high performers and prevent market structure adjustments from diminishing earned compensation progression

Performance-Based Pay Progression	Clarified compensation growth above market median is driven primarily by demonstrated performance, proficiency, and contribution rather than tenure alone	Reinforces a pay-for-performance philosophy and supports equitable compensation administration
Recognition & Awards Framework	Added framework for prospective performance-based awards recognizing extraordinary service, achievement, or milestone contributions with Executive Management Team and Chief People Officer approval	Establishes governance and consistency for discretionary recognition programs
Merit-Based Employment Practices	Reinforced that compensation and employment decisions are based on merit, qualifications, experience, and system need in alignment with applicable Texas law, including SB17	Ensures compliance with legal requirements and reinforces equitable employment practices
Diversity & Inclusion Commitment	Reaffirmed commitment to maintaining an inclusive workplace and culture of belonging while ensuring all employment and compensation practices remain nondiscriminatory and compliant with applicable laws	Supports system culture objectives while maintaining compliance standards
Total Rewards Definition	Expanded Total Rewards language to include health benefits, professional development assistance, wellness initiatives, and holistic well-being programs in addition to cash compensation	Reflects the system's broader investment in team member well-being and workforce development

Governance & Administration	Clarified that the President & CEO has authority to approve salary structure adjustments based on compensation methodology and market data; Board of Managers retains authority for CEO compensation decisions	Strengthens compensation governance, accountability, and administrative clarity across the system

Requested Action

We are requesting Board approval of the revised Total Rewards Philosophy, including the addition of the Provider Total Clinical Cash Compensation (TCCC) Incentive Program. Following approval, the People Department will finalize implementation guidance and align supporting compensation administration practices across the system.

COMMUNITYCARE | SENDERO HEALTH PLANS | CENTRAL HEALTH

Central Health System Compensation Philosophy

2026 Proposed Revisions

August 12, 2026 Budget & Finance Committee

Jeannie Virden, EVP & Chief People Officer

Chris McLauchlin, Vice President of People Rewards & Development

Purpose and Scope

- Transition the philosophy to a broader Total Rewards framework.
- Reinforce the consistent, system-wide approach to compensation and rewards across Central Health, CommUnityCare, and Sendero.
- Modernize the approved Compensation Philosophy with operational and market insights learned since the last revision in 2020.
- Ensure consistency, equity, and fiscal stewardship in how we design and administer compensation and benefits.

Compensation Philosophy to Date

- 2007 – Originally created and approved by the Board of Managers
- 2020 – Updated in October and approved by the Board of Managers
- Today – Bringing a proposed updated version for review and approval.

Total Rewards – Beyond Base Pay

- Total Rewards is the organization's comprehensive investment in attracting, retaining, and engaging talent through compensation, benefits, well-being, recognition, career development, and the overall team member experience.

- Together, these elements support workforce stability, performance, and our ability to achieve organizational goals.

Market-Based, Mission-Driven Pay

- Our overall philosophy on base compensation remains the same ~ most roles are targeted around the 50th percentile of the external market.
- Flexibility to go higher (e.g., 60th – 80th percentile) for hard-to-fill or high-demand roles with leadership approval.
- Pay progression above market median driven by performance, proficiency, and impact; not tenure alone.
- Alignment of market adjustments and merit increases to preserve differentiation for high performers.

Base Compensation Philosophy in Action

Band	Entry Level *0 – 1 Year, 11 Months Years of Experience*	Intermediate Level *2 Years – 4 Years, 11 Months of Experience*	Career Level *5 Years or More of Experience*
Band 1: High-Priority Positions (Non-Exempt)	60%ile of Market	70%ile of Market	80%ile of Market
Band 2: High-Priority Positions (Non-Exempt & Exempt)	50%ile of Market	60%ile of Market	70%ile of Market
Band 3: Non-Exempt	40%ile of Market	50%ile of Market	60%ile of Market
Band 4: Non-Management Exempt	40%ile of Market	50%ile of Market	60%ile of Market
Band 5: Management	40%ile of Market	50%ile of Market	60%ile of Market
Band 6: Advance Practice Provider (APP)	50%ile of Market	60%ile of Market	70%ile of Market
Band 7: Primary Care MD / DO / DDS	40%ile of Market	50%ile of Market	60%ile of Market
Band 8 – Specialty Care MD / DO / DDS*	30%ile of Market	40%ile of Market	50%ile of Market

** Due to the expansion of Specialty Care services within Central Health, and an increased need of a variety of specialists, we have seen the need to change this band to be aligned with targeting the 50th%ile of the market.*

Governance Framework

- Clear governance: CEO authority for salary structure changes grounded in market methodology; Board authority retained for compensation philosophy and Central Health CEO compensation.
- Employment and compensation decisions based on merit, qualifications, and system need; fully compliant with Texas law (including SB17), equal employment standards, and Fair Labor Standards laws.
- Ongoing data reviews to monitor hiring, promotion, and pay for fairness and equity.

Key Program Enhancement

- Formal Prospective Recognition Framework
  - Eligibility for performance-based awards for the attainment of specific milestones or providing extraordinary service that exceeds core job expectations
  - Pending CommUnityCare & Central Health Board Approval
    - Provider Total Clinical Cash Compensation (TCCC) Incentive Program to Launch FY2027
    - Eligible providers include: Family Medicine, Internal Medicine, Pediatric
  - To Be Developed
    - Care Team incentives
    - Expansion of Provider TCCC

System and Team Member Value Proposition

- Strengthens system-wide alignment.
- Ensures practices that reflect our commitment to fairness, equity, and equal employment opportunity and aligns with our core values.
- Enhances transparency and accountability in compensation decision-making.
- Supports recruitment and retention of high-quality talent in a competitive market.
- Provides a scalable foundation for future workforce planning, compliance, and organizational development.

Questions?

COMMUNITYCARE | SENDERO HEALTH PLANS | CENTRAL HEALTH

Thank You

COMMUNITYCARE | SENDERO HEALTH PLANS | CENTRAL HEALTH

CENTRAL HEALTH SYSTEM TOTAL REWARDS PHILOSOPHY

Applicable to Central Health, CommUnityCare Health Centers, & Sendero Health Plans

Restated & Amended August 2026

(Superseded all previous Compensation Philosophy documents adopted prior to this date by the respective entities)

Purpose and Scope: A Shared Commitment

The Central Health Board of Managers approves this unified total compensation philosophy in alignment with the shared commitment of the Boards of Managers for CommUnityCare Health Centers and Sendero Health Plans (collectively, the "Boards"). This integrated approach ensures consistency, equity, and fiscal stewardship across the Central Health System to attract, retain, and motivate the highly qualified workforce necessary to achieve our collective mission of improving the health of our community.

The foundational principles of this philosophy were originally established following a comprehensive review facilitated by an independent compensation consulting firm in August 2020. This document serves as a joint restatement and amendment of that philosophy, incorporating strategic adjustments recommended by executive management based on an operational review of the program's performance between 2020 and 2026.

Adoption and Authority

Upon formal adoption by the Central Health Board of Managers, this document provides the guiding principles for the design, implementation, and administration of compensation for the system. This restated philosophy supersedes all previous compensation philosophy statements previously adopted by the individual Boards.

Central Health System

We are a local government-funded system, created in 2004, to fund and coordinate the provision of health care and related services to vulnerable Travis County residents. We have grown dramatically from a governmental start-up into a broad functioning system adapting to the health care needs of the community. By caring for those who need it most, the Central Health system improves the health of our community.

Amended Document Methodology

Our total compensation philosophy document that was originally created in 2007 was evaluated and updated during the period of July – October 2020. The methodology used to update our document is based on an inclusive and best practice process that included direct input and dialogue with the Board of Managers during a session facilitated by an independent compensation consulting firm on August 19, 2020.

Prior to that session, the consulting firm gathered preliminary perspectives from the individual Board members on specific business, talent, and compensation topics to assist in refining the compensation philosophy to appropriately reflect the current environment in which the Central Health system operates. Key themes uncovered in the data gathering process identified specific elements that required further conversation with the Board of Managers. Based on the feedback provided by the members during that August 19th meeting, the compensation consulting firm updated this document to reflect those perspectives. The intent is that our compensation philosophy reflects external market best practice, as well as account for our organization's unique operating environment, talent needs and financial considerations.

The remaining content presented within this document reflects our newly defined and approved compensation philosophy along with the associated guiding principles of our organization.

Total Rewards Philosophy Objectives

The Central Health system is committed to providing our team members with a total rewards package (compensation, health benefits, etc..) that is competitive within the markets in which we compete for talent. The District and the 501(c)(3) organizations and affiliates want to be the preferred employers within our operational area(s). Offering competitive total rewards is a critical part of a team member value proposition that also includes training, career opportunities, a healthy culture in which to work, and a -life work integration.

The key objectives of our total rewards philosophy are to:

- Align with the Mission, purpose and values of the Central Health system.
- Support and link to the system's strategic plan.
- Promote an inclusive and diverse talent environment.
- Provide a balanced view related to individual performance and internal "equity."
- Account for the varying perspectives of Central Health system's stakeholders - taxpayers, governmental entities, members and beneficiaries, team members and the public at large.

Guiding Principles for Compensation

Our total compensation philosophy reflects the Central Health system's accountability to taxpayers and promoting fiscal discipline while also reflects the desire to achieve our talent goals within the unique competitive talent space where we reside. We remain committed to limiting long-term financial liabilities for the taxpayers of Travis County, its members and beneficiaries. However, the need and desire to attract and retain key talent to achieve the stated Mission and strategic plan also needs to be taken into consideration. The key is finding the appropriate balance between these two divergent objectives.

Overall, we will focus on competitive cash compensation and self-directed health and retirement benefits, where contributions and funding are the primary responsibility of our team members. Any financial commitments by us end when a team member leaves employment.

We are committed to the following key principles related to total compensation:

- Tie rewards directly to achieving our key strategies and measured performance:
  - implement a patient-focused and coordinated health care system,
  - develop and execute a health care delivery strategy, and
  - implement a sustainable financial model.

- Achieve our top three key talent objectives:
  - fostering a culture of belonging,
  - attracting and selecting highly qualified candidates, and
  - developing and retaining key talent.

- Support the following desired cultural values:
  - collaboration,
  - an empowered workforce,
  - innovation, and
  - performance and accountability driven.

Considering the desired outcomes noted above, we want to equally balance "externally competitive pay" with promoting "internal equity".

In terms of what we wish to reward, the Board of Managers' policy supports three major factors:

- Central Health's system performance,
- Individual performance, and
- Individual skill development
  - The skill and/or certification must be relevant to the role the individual currently resides or equips them for another role within the system.

The compensation philosophy and corresponding compensation programs also consider trends in modern healthcare, as well as the public sector and general industry. This reflects the fact that in addition to competing with private healthcare delivery and health plan sectors for team members, we must compete for team members within and outside the local Austin, Texas talent market to effectively conduct our business.

Total Rewards Program Elements & Objectives

The following program elements are employed for managing compensation:

- Pay competitively within the labor markets where we compete for talent.
  - Our target labor markets may vary by role type and/or job level as determined appropriately by the executive management team.
- Pay equitably and inclusively internally (internal equity) and externally (competitive).
- An individual's pay is based on their job-related skills and the performance achievement of stated goals, both organizationally and individually.
- Salaries for the majority of positions are targeted around the 50th percentile of the external market, with variation expected in individual pay for skills, knowledge, experience, performance and impact on the Central Health system.
  - Roles with a shortage of available local talent may require specific position salaries targeted at a higher and appropriate percentile of the external market. The application of a higher percentile approach may be applied at the approval of Executive leadership and/or the Chief People Officer.
- Pay Progression & Performance Alignment:
  - While experience may influence initial placement within a salary range, continued pay progression toward and above the market median (50th percentile) is primarily driven by demonstrated performance, proficiency, and organizational impact, not solely by length of service. Experience milestones do not trigger automatic salary adjustments to higher market percentiles independent of a performance evaluation.
- Synchronization of Market & Merit:
  - To ensure top performance is appropriately rewarded and sustained, the Central Health system strives to synchronize annual market adjustments and performance-based merit increases. The goal of this synchronization is to ensure that high-performing team members maintain their relative competitive position above the market median, and that market-based structure shifts do not "reset" or erase performance differentials earned through the merit process.
- As part of the system's established Total Rewards program, the organization maintains a Prospective Recognition Framework. Under this framework, team members may be eligible for performance-based awards for the attainment of specific milestones or for providing extraordinary service that exceeds core job expectations. All such awards must be authorized by Executive leadership team and the Chief People Officer in accordance with pre-defined criteria to ensure alignment with our mission and fiscal stewardship.
- The team Member total rewards package will be market driven and targeted at the 50th percentile.
- Rewards and benefits funding and financing will be done in a manner that supports our pay for performance orientation and fiscal stewardship.

The benefits offered to full-time and part-time team members are more typical of those offered by a not-for-profit or private company than a public entity.

- Paid holidays,
- Paid Time Off ("PTO") plan, and
- Retirement Plan that is a defined contribution plan rather than a defined benefit plan.
- There is no commitment for retiree health insurance costs.
- Other benefits include but are not limited to: health coverage (medical, dental, vision), educational and professional development assistance, and holistic well-being and financial plans tailored to support the team member's life.

We strive to fully and effectively communicate to all team members, on an ongoing basis, the philosophy, purpose, operation and effect of our various programs.

Central Health System's Team Member Value Proposition

We value the following compensation and benefits practices:

- Workforce and compensation practices that reflect our commitment to fairness, equity, and equal employment opportunity,
- Alignment with our core values,
- A team-oriented mindset and collaboration in all activities,
- Excellence in performance and service to those we serve, and
- Continuous learning, professional growth, and demonstrated proficiency in one's role.

Determining Market Position

We participate in multiple and relevant salary surveys and leverage top compensation data providers to source comparable and reasonable market data. Use of multiple surveys and data sources ensures that our salaries are consistent with salaries for like jobs in the market. Any changes to our salary structure are approved by Central Health's President & CEO based on these established compensation methods. In addition to reviewing compensation levels, team member benefits are reviewed as part of the business planning process to ensure that our programs remain competitive.

Market Competitiveness and Economic Responsiveness

Our total rewards philosophy is rooted in the belief that to serve our community effectively, we must first invest in the people who make our mission possible. We are committed to remaining a competitive employer of choice by ensuring our pay and benefits structures reflect the dynamic Austin economic landscape and the national healthcare market. By balancing fiscal responsibility with a data-driven approach to market trends and the local cost of living, we aim to attract, retain, and honor the high-quality talent necessary to provide exceptional care.

Performance Evaluations

Our performance management system is designed to align individual contributions with our mission and core values. Through a structured annual review process, we assess achievement against professional standards, core competencies, and strategic goals. This holistic evaluation ensures that compensation remains performance-based and reflects each team member's growth within their specific role and the broader market.

Central Health President & CEO Compensation

The Central Health President & CEO is hired via an employment contract and works directly for the Board of Managers. All other team members work for the President & CEO. Each year the Board of Managers conducts a performance evaluation for the President & CEO and compensation is adjusted according to the evaluation. The Board of Managers is responsible for managing the hiring and performance monitoring of the President & CEO.

Equal Opportunity Employer

It is the policy of the Central Health system to make employment decisions based on merit, qualifications, and business needs without regard to race, color, citizenship status, national origin, sex (including pregnancy, gender, gender identity or expression, or sexual orientation), age, religion, disability, genetic information, marital status, veteran status, or any other status protected by applicable local, state, or federal laws .

Position openings are posted publicly, and the most highly qualified individuals are selected. Due to the specialized healthcare-focused skills required for many of our positions, there is competition with other comparable not-for-profit healthcare and health plan organizations to find those very highly qualified individuals.

"It is the policy of the Central Health system to pay compensation that is nondiscriminatory and competitive and to evaluate all jobs in order to establish a consistent basis for measuring and establishing the relative worth of each job. The unique characteristics of the Central Health system are considered when determining the Central Health system's classification and compensation program including its pay structure. The Central Health system will, consider as appropriate, participate in, conduct or purchase compensation surveys covering other similar employers with similar jobs." (HR3-003)

Central Health designs its programs to promote organizational excellence and fair treatment. Through ongoing data analysis of our hiring and pay practices, we work to ensure our systems remain equitable, reflecting our commitment to the diverse community we serve while adhering to all local, state, and federal standards.

In alignment with Texas state law (notably SB17) and our commitment to merit-based excellence, The Central Health System does not utilize quotas, set-asides, or preference systems in our hiring, promotion, or compensation practices. Our programs are designed to ensure a level playing field for all individuals regardless of background. Consequently, we do not make employment decisions based on protected characteristics, nor do we require participation in programs that promote specific political or ideological viewpoints as a condition of employment.

Board Approval

By signing below, the respective Board of Managers adopts this Central Health System Total Rewards Philosophy as the governing framework for their organization.

Central Health Board Chair _____ Date _____

BUDGET & FINANCE COMMITTEE MEETING

August 12, 2026

AGENDA ITEM 4

Receive and discuss a presentation on the proposed Fiscal Year (FY) 2027 budget for CommUnityCare Health Centers.[3] (*Informational Item*)

CENTRAL HEALTH

AGENDA ITEM SUBMISSION FORM

This form is to provide a general overview of the agenda item in advance of posting for the Board meeting. Proposed motion language is a recommendation only and not final until the meeting and may be changed by the Board Manager making the motion. All information in this form is subject to the Public Information Act.

Agenda Item Meeting Date	August 12, 2026
Who will present the agenda item? (Name, Title)	Nick Yagoda, CEO and Joy Sloan SVP & CFO
Notetaker (Name, Title)	
General Item Description	FY27 Preliminary CommUnityCare Budget
Is this an informational or action item?	Informational
Fiscal Impact	N/A
Recommended Motion (if needed – action item)	

Key takeaways about agenda item, and/or feedback sought from the Board of Managers:

1) Initial FY27 Budget Presentation
2)
3)

What backup will be provided, or will this be a verbal update? (Backup is due one week before the meeting.)	Presentation
Estimated time needed for presentation & questions?	30 minutes
Is closed session recommended? (Consult with attorneys.)	No
Form Prepared By/Date Submitted:	Jeff Knodel / July 22, 2026

COMMUNITYCARE™ HEALTH CENTERS

Fiscal Year 2027 Proposed Budget

Revenue/Expense Category	FY26 Budget	FY26 Projected	FY27 Proposed Budget	% Variance Proj/Budget
Pharmacy Revenue	$83,581,903	$66,493,536	$71,540,000	7.05%
Third Party Patient Revenue	$71,895,668	$71,267,326	$89,462,033	20.34%
Central Health Contract Rev	$98,800,000	$98,691,584	$117,500,000	16.01%
Grant/Other Revenue	$16,386,915	$16,701,959	$16,500,000	-1.22%
Total Revenue	**$270,664,486**	**$253,154,404**	**$295,002,033**	**14.19%**
Employee Salaries	$123,300,000	$126,408,991	$143,081,781	11.65%
Employee Benefits	$35,140,500	$32,192,886	$36,681,357	12.24%
Contract Labor	$9,078,426	$7,147,633	$9,525,086	24.96%
Pharmacy Supplies/Drugs	$62,186,427	$48,630,242	$54,352,800	10.53%
Direct Care Expenses	$16,450,000	$17,700,594	$23,638,156	25.12%
Indirect Expenses	$14,069,050	$15,747,941	$17,450,330	9.76%
Occupancy Expenses/Depreciation	$10,656,727	$9,970,089	$10,532,577	5.34%
Total Expenses	**$270,881,130**	**$257,798,377**	**$295,262,088**	**12.69%**
Net Surplus/Loss	**($216,644)**	**($4,643,973)**	**($260,055)**	**-1685.77%**
Other Revenue/Expense	$300,000	$996,286	$300,000	-232.10%
Net Surplus/Loss	**$83,356**	**($3,647,687)**	**$39,945**	**9231.71%**

Encounters by Program	FY2026 Projected	FY2026 Budget	FY2027 Budget	Increase from FY26 Proj	Increase from FY26 Proj2
Medical	421,122	462,508	456,829	8.5%	35,707
Dental	83,803	81,005	117,388	40.1%	33,585
Behavioral Health	35,585	44,532	41,456	16.5%	5,871
Therapies (OT,SP,PT)	8,582	12,072	8,838	3.0%	256
	549,093	600,117	624,511	13.7%	75,418

Description	FY26 May	FY26 Budget	FY27 Budget
PAYER MIX (% of Total encounters)			
Medicare	4.6%	4.4%	4.0%
Medicaid	24.5%	25.0%	25.0%
CHIP	3.4%	4.1%	3.4%
Gov/Grants	4.1%	3.3%	3.0%
MAP/Basic	43.7%	43.1%	46.0%
Sliding Fee Scale	7.8%	7.8%	7.0%
Commercial	8.8%	9.2%	8.6%
Self Pay	3.1%	3.1%	3.0%

BUDGET & FINANCE COMMITTEE MEETING

August 12, 2026

AGENDA ITEM 5

Receive and discuss a presentation on the proposed Fiscal Year (FY) 2027 tax rate and budget for Central Health.[3] (*Informational Item – See Exhibit 1*)

AGENDA ITEM SUBMISSION FORM

This form is to provide a general overview of the agenda item in advance of posting for the Board meeting. Proposed motion language is a recommendation only and not final until the meeting and may be changed by the Board Manager making the motion. All information in this form is subject to the Public Information Act.

Agenda Item Meeting Date	8/12/2026
Who will present the agenda item? (Name, Title)	Jeff Knodel (CFO), Nicki Riley (Deputy CFO)
Notetaker (Name, Title)	
General Item Description	Draft presentation on the preliminary FY27 Central Health Budget and Tax Rate
Is this an informational or action item?	Informational
Fiscal Impact	N/A
Recommended Motion (if needed – action item)	N/A

Key takeaways about agenda item, and/or feedback sought from the Board of Managers:

1) FY2027 Budget Presentation with updated certified tax roll information, staff changes and corrections
2) The presentation will review three budget scenarios (8% above the No-New-Revenue Rate, 6% above the No-New-Revenue Rate, and the No-New-Revenue Rate).
3) Capital Project Update

What backup will be provided, or will this be a verbal update? (Backup is due one week before the meeting.)	PPT with Verbal Update
Estimated time needed for presentation & questions?	45 Mins., including discussion and questions
Is closed session recommended? (Consult with attorneys.)	No
Form Prepared By/Date Submitted:	Jeff Knodel, 07/22/2026

CENTRAL HEALTH
TRAVIS COUNTY HOSPITAL DISTRICT

FY 2027 Updated Budget

Budget and Finance Committee Meeting

August 12, 2026

Presenters:

Dr. Patrick Lee, MD – Chief Executive Officer

Jeff Knodel - Chief Financial Officer

Nicki Riley – Deputy Chief Financial Officer

Agenda

- **Update on Property Tax Revenue and Certified Tax Roll**
- **Updates on Budget**
- **Board Questions**
- **Capital Projects Update**
- **Calendar**

Property Tax Revenue Summary

DESCRIPTION	FY 2026 APPROVED BUDGET	FY 2027 BUDGET	FY 2027 BUDGET	FY 2027 BUDGET
Scenario		8%	6%	NNR
Tax Rate	0.118023	0.135195	0.132863	0.118633
Property Tax Revenue	378,061,940	427,392,411	420,020,251	375,034,904

- Tax Rates and Revenue amounts were updated with final TCAD Certified Tax Roll and Tax Rate Calculation Worksheet
- No-New-Revenue (NNR) rate calculation impacts:
  - Does not include debt service revenue to pay for $15.3M in additional debt payments
  - Excludes new construction taxable value added in FY 2027

Taxpayer Impact to the Median Homestead Under Each Scenario

	FY26	FY27 - Proposed		
	Approved	NNR	6%	8%
M&O Rate	0.113569	N/A	0.123603	0.125935
Debt Service Rate*	0.004454	N/A	0.009260	0.009260
Total Rate	0.118023	0.118633	0.132863	0.135195
Median Value	$390,086	$372,638	$372,638	$372,638
M&O Amount	$443	$425	$461	$469
Debt Service Amount*	$17	$17	$35	$35
Total Tax Amount	$460	$442	$496	$504

The debt service rate increased due to a $248.9 million Certificates of Obligation issuance in December 2025 to fund Central Health's Northview, Promontory Point, Hancock Phase 2, and Colony Park facilities.100

Attachment A: Budget Scenarios

Summary of FY27 vs. FY 26 Budget

Revenues

- Property Tax Increased
  - 8% - $49.3M
  - 6% - $42M
  - NNR – ($3M)
- Transfer from Restricted Capital funds of $91.0M

Expenses

- Healthcare Delivery expenses increased-all scenarios include $30M for Sendero RBC*
  - 8% and 6% - $77.9M
  - NNR - $42.3M
- Administration expenses decreased due to allocation of System costs to CUC
  - 8% and 6% - ($465K)
  - NNR – ($5M)
- No increase to staff salaries in NNR scenario - ($4.4M)

DESCRIPTION	FY 2026 APPROVED BUDGET	FY 2027 BUDGET 8%	FY 2027 BUDGET 6%	FY 2027 BUDGET NNR
TAX RATE	**0.118023**	**0.135195**	**0.132863**	**0.118633**
Beginning Balance (Contingency Reserve)	451,192,875	437,446,142	437,446,142	437,446,142
UNRESTRICTED REVENUE				
Property Taxes	378,061,940	427,392,411	420,020,251	375,034,904
Lease Revenue	10,424,005	10,999,906	10,999,906	10,999,906
Tobacco Litigation Settlement	5,000,000	7,000,000	7,000,000	7,000,000
Patient Revenue	1,000,000	3,000,000	3,000,000	3,000,000
Other	25,900,000	26,640,000	26,640,000	26,640,000
Other Financing Sources		91,000,000	91,000,000	91,000,000
TOTAL UNRESTRICTED REVENUE	**420,385,945**	**566,032,317**	**558,660,157**	**513,674,810**
RESTRICTED REVENUE				
Available Restricted Revenue	3,540,167	734,581	734,581	734,581
AVAILABLE RESOURCES	**875,118,987**	**1,004,213,040**	**996,840,880**	**951,855,533**
UNRESTRICTED EXPENSE				
Healthcare Delivery	433,984,684	511,877,759	511,877,759	476,326,724
Administration	46,369,507	45,904,060	45,904,060	41,337,783
UT Affiliation Agreement	35,000,000	35,000,000	35,000,000	35,000,000
Other Financing Uses	37,045,142	13,902,218	13,902,218	7,549,578
TOTAL UNRESTRICTED EXPENSES	**552,399,333**	**606,684,037**	**606,684,037**	**560,214,085**
RESTRICTED EXPENSE				
All Restricted Expenses	3,540,167	734,581	734,581	734,581
TOTAL ALL EXPENSES	**555,939,500**	**607,418,618**	**607,418,618**	**560,948,666**
Appropriated Contingency Reserve Budget	319,179,487	396,794,422	389,422,262	390,906,867
TOTAL USES WITH ENDING BALANCE	**875,118,987**	**1,004,213,040**	**996,840,880**	**951,855,533**
RESERVE Balances				
Public Health Center Reserve	12,000,000	12,000,000	12,000,000	12,000,000
Emergency Reserve	68,165,232	81,154,650	81,154,650	74,801,810
Contingency Reserve	319,179,487	396,794,422	389,422,262	390,906,867

*RBC: Risk Based Capital

Attachment A:
Version Changes

FTEs
- **Shared provider allocation changes**

Revenue
- **Updated from Certified Property Tax roll and calculation**

DESCRIPTION	FY27 PROPOSED BUDGET 7/29/2026	FY27 PROPOSED BUDGET 8/12/2026	Version Change
TAX RATE	**0.134492**	**0.135195**	
FTEs	1199	1197	(2)
Beginning Balance (Contingency Reserve)	437,446,142	437,446,142	-
UNRESTRICTED REVENUE			
Property Taxes	427,149,560	427,392,411	242,851
Lease Revenue	10,999,906	10,999,906	-
Tobacco Litigation Settlement	7,000,000	7,000,000	-
Patient Revenue	3,000,000	3,000,000	-
Other	26,640,000	26,640,000	-
Other Financing Sources	91,000,000	91,000,000	-
TOTAL UNRESTRICTED REVENUE	**565,789,466**	**566,032,317**	**242,851**
RESTRICTED REVENUE			
Available Restricted Funds	**734,581**	**734,581**	-
TOTAL ALL REVENUE	**566,524,047**	**566,766,898**	**242,851**
Available Resources	**1,003,970,189**	**1,004,213,040**	242,851
UNRESTRICTED EXPENSE			
Healthcare Delivery	518,094,020	511,877,759	(6,216,261)
Administration	44,556,615	45,904,060	1,347,446
UT Affiliation Agreement	35,000,000	35,000,000	-
Other Financing Uses	13,902,418	13,902,218	(200)
TOTAL UNRESTRICTED EXPENSES	**611,553,052**	**606,684,037**	**(4,869,015)**
RESTRICTED EXPENSE			
All Restricted Expenses	734,581	734,581	-
Ending Restricted Fund balance	-	-	-
TOTAL ALL EXPENSES	**612,287,633**	**607,418,618**	**(4,869,015)**
Appropriated Contingency Reserve Budget	391,682,555	396,794,422	5,111,866
TOTAL USES WITH ENDING BALANCE	**1,003,970,189**	**1,004,213,040**	**242,851**
RESERVE Balances			
Public Health Center Reserve	12,000,000	12,000,000	-
Emergency Reserve	81,154,650	81,154,650	-

Attachment B

Health Care Services

DESCRIPTION	FY 2026 APPROVED BUDGET	FY 2027 PROPOSED BUDGET 7/29/2026	FY 2027 PROPOSED BUDGET 8/12/2026	Version Change
HEALTH CARE DELIVERY				
Network Health Care Services				
Primary Care: Medical, Dental, & Behavioral Health	103,446,258	123,952,000	123,916,250	(35,750)
Specialty Care: including Specialty Dental	37,348,000	36,777,258	36,783,000	5,742
Specialty Care: Behavioral Health	40,274,000	42,535,750	42,535,750	-
Post Acute Care	9,350,000	12,435,000	12,485,000	50,000
Pharmacy	19,500,000	21,100,000	21,100,000	-
Community Health Care Initiatives Fund	1,000,000	1,000,000	1,000,000	-
Purchased Health Care Services	**210,918,258**	**237,800,008**	**237,820,000**	**19,992**
Direct Health Care Services				
Therapy and Counseling	2,115,947	2,521,775	2,479,527	(42,248)
Psychiatry & Addiction Care	3,221,828	4,460,249	4,112,166	(348,083)
Cardiology	2,442,156	3,029,187	3,158,187	129,000
Endocrinology	883,764	1,234,145	1,228,845	(5,300)
Gastroenterology	4,266,275	5,372,100	5,245,100	(127,000)
Nephrology	1,449,087	1,922,511	1,917,511	(5,000)
Neurology	354,559	1,280,174	1,235,174	(45,000)
Podiatry	2,364,183	3,547,714	3,296,207	(251,507)
Pulmonology	1,915,923	1,129,867	1,123,647	(6,220)
Rheumatology	2,041,389	1,409,005	1,451,215	42,210
Palliative Care	1,027,374	907,952	899,732	(8,220)
Pharmacy	2,980,011	1,897,713	1,783,337	(114,376)
Physical Medicine & Rehab	270,771	1,305,862	1,375,320	69,458
Transitions of Care	11,598,960	13,903,090	15,155,152	1,252,062
Medical Respite	10,659,536	11,330,763	13,397,921	2,067,158
Diagnostics and Other services	8,545,939	13,829,491	13,621,843	(207,649)
Patient Navigation	7,563,164	9,012,702	9,006,055	(6,647)
Clinical Support	17,898,272	17,974,920	15,624,926	(2,349,994)
Direct Health Care Services Total	**81,599,137**	**96,069,219**	**96,111,864**	**42,645**
Total Health Care Services	**292,517,395**	**333,869,227**	**333,931,864**	**62,637**

Attachment B

Health Care Operations & Support

DESCRIPTION	FY 2027 PROPOSED BUDGET 7/29/2026	FY 2027 PROPOSED BUDGET 8/12/2026	Version Change
Health Care Operations & Support			
Salary & Benefits	54,382,258	47,986,591	(6,395,667)
ACA Healthcare Premium Assistance Programs	19,252,516	19,452,516	200,000
Consulting	1,618,000	1,841,000	223,000
Purchased Services	7,256,428	7,076,328	(180,100)
Outreach & Education	4,734,372	4,355,492	(378,881)
Health & Wellness Services		713,000	713,000
Information Technology & Services	18,600,750	18,918,250	317,500
Leases, Utilities, Security &Maintenance	15,815,131	15,815,131	-
Travel, training and professional development	1,651,454	1,096,204	(555,250)
Other operating expenses	1,193,329	970,829	(222,500)
Debt service - principal retirement	11,240,000	11,240,000	-
Debt service - interest	18,480,556	18,480,556	-
Transfer to Sendero Risk-Based Capital	30,000,000	30,000,000	-
Total Health Care Operations & Support	**184,224,793**	**177,945,895**	**(6,278,898)**
Total Health Care Delivery	**518,094,020**	**511,877,759**	**(6,216,261)**

Attachment B

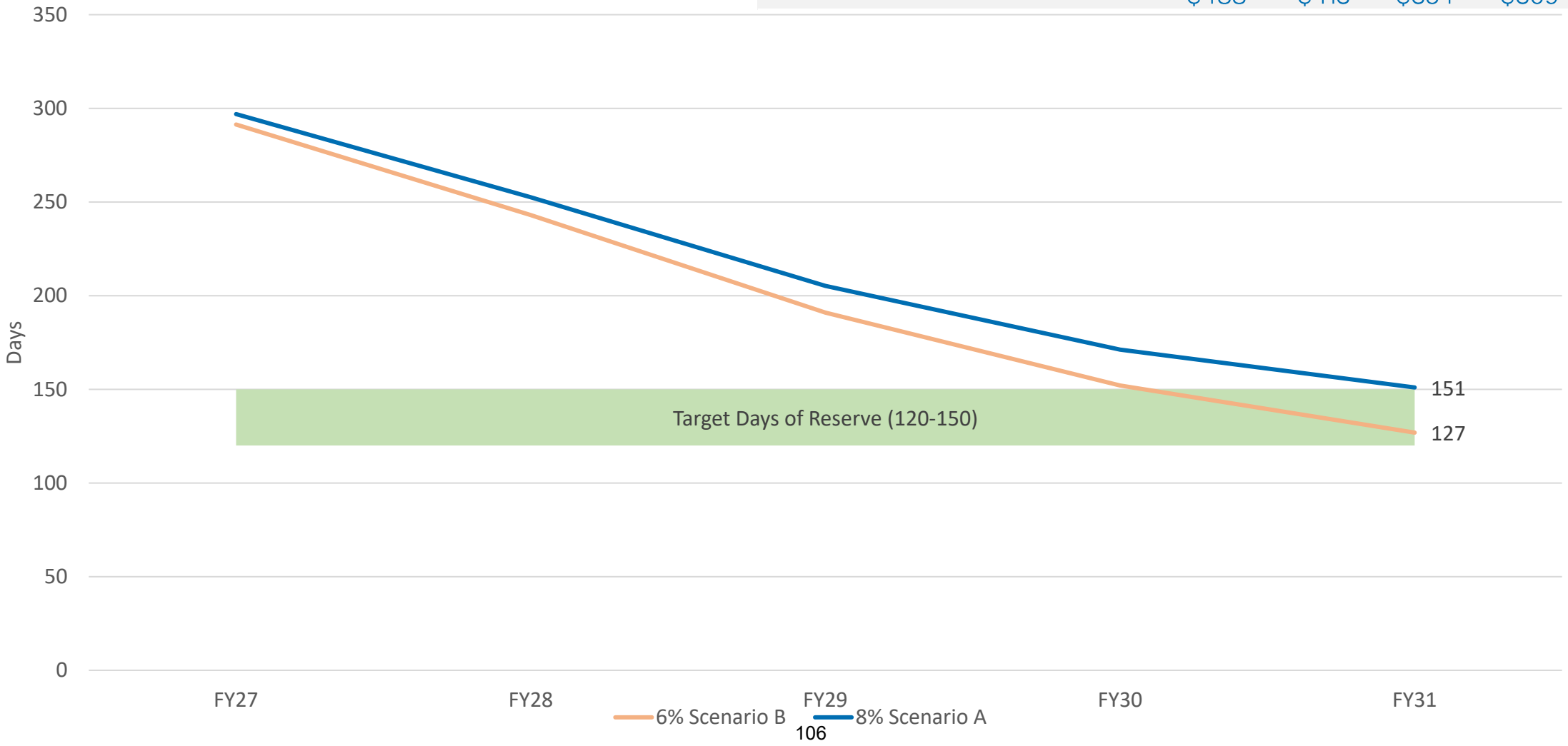
Administration & Other Uses

DESCRIPTION	FY 2027 PROPOSED BUDGET 7/29/2026	FY 2027 PROPOSED BUDGET 8/12/2026	Version Change
ADMINISTRATION			
Salary and Benefits	26,946,290	27,283,249	336,959
Legal	5,026,500	3,226,500	(1,800,000)
Consulting	3,017,285	5,617,285	2,600,000
Purchased Services	995,436	982,324	(13,113)
Outreach and Education	525,434	200,815	(324,619)
Information Technology & Services	2,069,887	2,234,913	165,026
Leases, Utilities, Security and Maintenance	79,087	390,531	311,444
Travel, training and professional development	1,491,302	1,546,438	55,136
Other operating expenses	1,002,225	1,018,838	16,612
Appraisal District Svcs	2,130,984	2,130,984	-
Tax Collection Expense	1,272,185	1,272,185	-
Total Administration	**44,556,615**	**45,904,060**	**1,347,446**
UT Affiliation Agreement	35,000,000	35,000,000	-
OTHER FINANCING USES			
Transfer to Emergency Reserve	12,989,618	12,989,418	(200)
Transfer to Central Health Foundation	912,800	912,800	-
RESTRICTED USES			
All Restricted Expenses	734,581	734,581	-
TOTAL EXPENSES	**612,287,634**	**607,418,618**	**(4,869,015)**
RESERVES			
Contingency Reserves	391,682,555	396,794,422	5,111,866
TOTAL USES WITH ENDING BALANCE	**1,003,970,189**	**1,004,213,040**	**242,851**

Tax Rate Scenarios

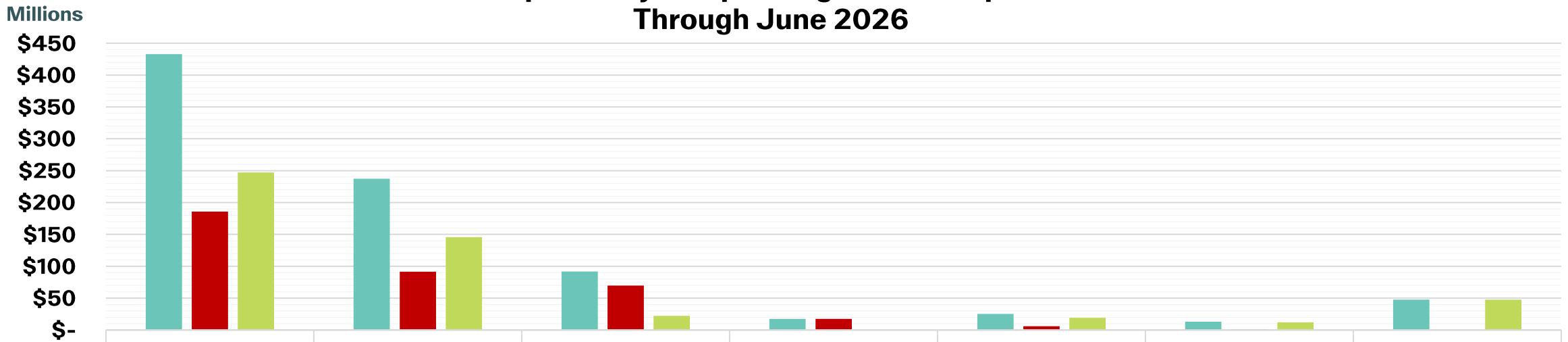
(Days of Reserve Impact)

Total Reserve Balances (in millions)	FY27	FY28	FY29	FY30	FY31
6% Scenario B	$481	$397	$330	$275	$240
8% Scenario A	$488	$413	$354	$309	$285



Major Capital Projects Update

Capital Project Spending Since Inception Through June 2026

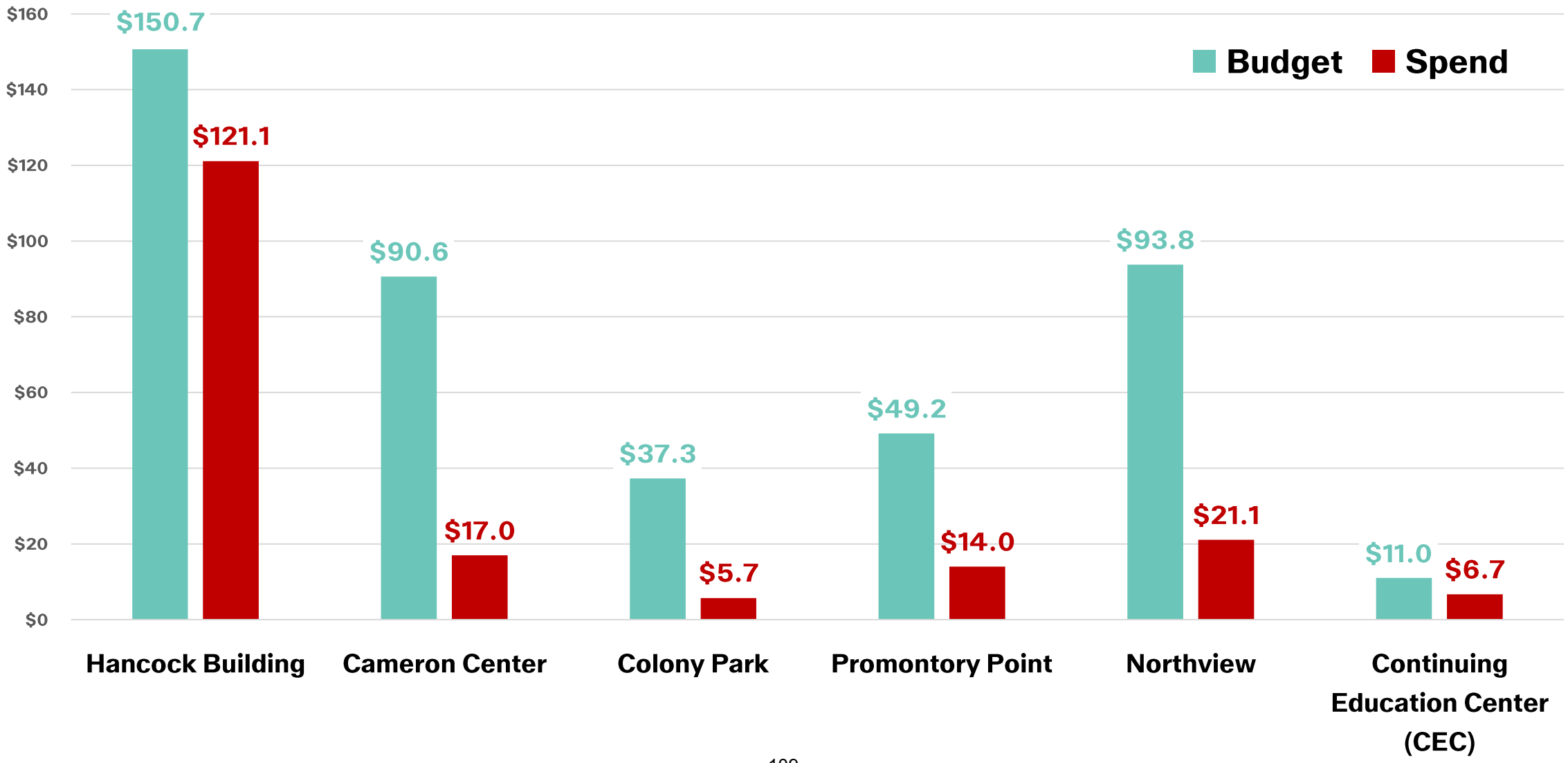


	Grand Total	Construction	Land and Bldg	Pro Svc	FF&E	IT Infrastructure & Electrical	Contingency
Budget	$432.6	$237.5	$91.9	$17.5	$25.2	$13.0	$47.6
Actuals	$185.6	$91.6	$69.6	$17.5	$6.1	$0.8	$-
Available	$247.0	$145.9	$22.3	$(0.1)	$19.1	$12.2	$47.6

Project	Budget	Actuals	Available	Utilization
Cameron Center	$ 90.6	$ 16.9	$ 73.6	19%
CEC	$ 11.0	$ 6.7	$ 4.3	61%
Colony Park	$ 37.3	$ 5.7	$ 31.6	15%
Hancock	$ 150.7	$ 121.1	$ 29.6	80%
Northview	$ 93.8	$ 21.2	$ 72.7	23%
Promontory Point	$ 49.2	$ 14.1	$ 35.2	29%
Grand Total	$ 432.6	$ 185.6	$ 247.0	43%

Major Capital Project Tracking

Total Spend through June 2026



Hancock Building (Debt Funded)

Category	Budget	Spend	Available
Due Diligence, Land Acquisition & Regulatory	$18.7	$18.7	-
Professional Services	$11.3	$13.6	($2.4)
Construction	$106.7	$84.2	$22.5
Furniture, Fixtures & Equipment	$7.8	$4.6	$3.3
Contingency	$6.2	-	$6.2
TOTAL	$150.7	$121.1	$29.6

Amounts may not sum correctly due to rounding.

Cameron Center (Debt Funded)

Category	Budget	Spend	Available
Building	$14.2	$14.2	$ -
Professional Services	$3.7	$0.3	$3.4
Construction	$46.4	$2.5	$43.9
Furniture, Fixtures & Equipment	$3.1	-	$3.1
Contingency	$23.1	-	$23.1
TOTAL	$90.6	$17.0	$73.6

Amounts may not sum correctly due to rounding.

Colony Park Health & Wellness Center (Debt Funded)

Category	Budget	Spend	Available
Due Diligence, Land Acquisition & Regulatory	$1.9	$0.9	$1.0
Professional Services	$2.5	$2.6	($0.1)
Construction	$25.0	$2.2	$22.8
Furniture, Fixtures & Equipment	$3.7	-	$3.7
Contingency	$4.2	-	$4.2
TOTAL	$37.3	$5.7	$31.6

Amounts may not sum correctly due to rounding.

Promontory Point (Debt Funded)

Category	Budget	Spend	Available
Land	$4.4	$4.4	-
Building	$9.7	$9.7	-
Construction	$24.8	-	$24.8
Furniture, Fixtures & Equipment	$2.5	-	$2.5
IT Infrastructure & Electrical	$3.7	-	$3.7
Contingency	$4.2	-	$4.2
TOTAL	$49.2	$14.0	$35.2

Amounts may not sum correctly due to rounding.

Northview (Debt Funded)

Category	Budget	Spend	Available
Land	$6.5	$6.5	-
Building	$14.6	$14.6	-
Construction	$51.3	-	$51.3
Furniture, Fixtures & Equipment	$5.1	-	$5.1
IT Infrastructure & Electrical	$7.6	-	$7.6
Contingency	$8.7	-	$8.7
TOTAL	$93.8	$21.1	$72.8

Amounts may not sum correctly due to rounding.

Continuing Education Center (Cash Funded)

Category	Budget	Spend	Available
Building	$1.5	$0.6	$0.9
Construction	$5.6	$4.0	$1.6
Furniture, Fixtures & Equipment	$1.7	$1.3	$0.4
IT Infrastructure & Electrical	$1.2	$0.8	$0.4
Contingency	$1.0	-	$1.0
TOTAL	$11.0	$6.7	$4.3

Amounts may not sum correctly due to rounding.

FY 2027 Annual Planning and Budget Development Timeline

We Are Here ▼

FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER
February 11 ***Strategic Planning*** • Present Progress Update on Strategic Plan (HEP)	**March 9** ***Executive Committee*** ★ Discuss Proposed FY27 Driving Forces • Present Update on Board Policies	**April 8** ***Strategic Planning*** ★ Discuss Proposed FY27 System OKRs	**May 13** ***Strategic Planning*** ★ Discuss Proposed FY27 System KPIs	**June 9** ***Travis County Commissioners*** • Approve Homestead Exemption	**July 29** ***Budget and Finance (Budget Session)*** ★ Present Proposed FY27 Joint Budget with CUC	**August 12** ***Budget and Finance (Budget Session)*** ★ Present Proposed FY27 Joint Budget & Tax Rate	**September 2** ***Board of Managers (Budget Session)*** ★ Public Hearing: FY27 Budget and Tax Rate
February 25 ***Board of Managers*** • Present FY27 Annual Budget Development, Including System OKRs	**March 25** ***Board of Managers*** ★ Approve FY27 Driving Forces	**April 22** ***Budget and Finance*** ★ Review Process For FY27 BoM Recommended Budget Proposals	**May 14** ***Travis County Commissioners*** • Q3 Update	**June 24** ***Budget and Finance (Budget Session)*** ★ Present Financial Forecast ★ CBO Report		**August 20** ***Travis County Commissioners*** • Q4 and Budget Update	**September 9** ***Board of Managers (Budget Session)*** ★ Adopt FY27 Budget and Tax Rate
	March 31 ***Travis County Commissioners*** • Q2 Update	**April 22** ***Board of Managers*** ★ Approve FY27 System OKRs ★ Approve Board Policies	**May 27** ***Budget and Finance*** ★ Discuss Proposed Homestead Exemption • Present Update on FY26 Board Member Budget Initiatives and CBO Report ***Board of Managers*** ★ Approve FY27 System KPIs ★ Approve Homestead Exemption			**August 26** ***Board of Managers (Budget Session)*** ★ Approve FY27 Proposed Tax Rate for Public Notice	**September 15 (tentative)** ***Travis County Commissioners*** • Approve FY27 Budget & Tax Rate

Public Involvement: Development of FY 2027 Strategic Initiatives

Budget Alignment with Strategic Initiatives

Public Involvement: FY 2027 Proposed Budget. September 2nd Public Hearing

All Other Board Activity (Strategic Plan and System-Level Planning, Including OKRs, Policy Development, Litigation, and Other Activities)

Central Health Community Conversations
- 3/4 Oak Hill Community Ctr. (PCT. 3)
- 4/16 Asian American Resource Ctr. (PCT. 1)
- 5/14 Montopolis Recreation and Community Ctr. (PCT. 4)
- 6/11 Austin Community College (ACC) Northridge Campus (PCT. 2)
- 8/31 Austin Community College (ACC) Highland FY27 CH Strategic Priorities Townhall with Judge Brown

Travis County Commissioners Court
- 3/31, Q2 Update
- 5/14, Q3 Update
- 6/9, Approve Homestead Exemption
- 8/20, Q4 and Budget Update
- 9/15 (tent), Vote and Adopt FY27 Budget and Tax Rate

★ **Denotes Budget Session, Board discussion, action, approval / adoption**

Definitions: OKRs = Objectives and Key Results. KPIs = Key Performance Indicators.

The public is encouraged to provide input on the FY 2027 budget via the website at CentralHealth.net, at Board of Managers and committee meetings, during Community Conversations, and at public hearings.

Thank You

BUDGET & FINANCE COMMITTEE MEETING

August 12, 2026

AGENDA ITEM 6

Confirm the next Budget and Finance Committee meeting date, time, and location. (*Informational Item*)