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Health and Human Services

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Texas Department of State  
Health Services

# Legislative Appropriations Request for FY 2022 & 2023

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## Chief Financial Officer

# Overview



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- Legislative Appropriation Request Background
- 5% Reduction in FY22-23
  - Decision-making process
  - What was reduced and impact to DSHS and staff
- Exceptional Items (EI)
- Next Steps & Timing

# Background

- The Legislative Appropriations Request (LAR) was turned in by the deadline, October 9, 2020.
- This timeline was extremely delayed and the entire process condensed, due to direction from the legislature and uncertainty of the revenue outlook.
- The request is for FY22 and FY23. During the legislative session, the legislators will continue to make changes to our request. The request is not the final product by any means.
- In May 2021, we will know the final budget for FY22 and 23.

# 5% Reduction in FY22-23



- In FY 2020 and FY2021, most agencies had to take a 5% reduction and implement hiring freezes. DSHS was exempt.
- In FY2022 and FY2023, DSHS is not exempt from the 5% reduction. The target is: \$32,929,840.
- The target was calculated by looking at state funds – General Revenue (GR) and General Revenue- Dedicated funds. Funds used for maintenance of effort or federal match were NOT exempt.
- If the legislature adopts these cuts, it will go into effect on 9/1/2021, for FY 2022.

# Decision Making



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- With this large a target, DSHS could not hold any area of the agency harmless.
- Goals were to:
  - Protect core public health programs.
  - Protect programs that serve large groups of people.
  - Reduce programs when the outcomes could be achieved through other means.
- These were very difficult decisions.

# Full Time Employee (FTE) Reductions



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- Our staff are the most important resource to DSHS. We did not make these decisions lightly, and we looked at ways to have the least impact on FTEs.
- FTE Reductions were based on if the function was reduced or eliminated and if the position is funded by General Revenue.
- We will make every effort to absorb the FTE reductions through attrition.

# Full Reductions



Activity	FY2022	FY2023	Total	FTE
Audiovisual Library	17,251	17,250	34,501	1.0
Health Providers Resource Center	201,373	201,373	402,746	5.0
Alzheimer's Disease Activities	500,000	500,000	1,000,000	
Tobacco Enforcement	424,993	424,993	849,986	
Fluoridation Program	19,197	19,197	38,394	1.8
Medical Child Abuse Resource Education Systems (MedCARES)	2,980,803	2,980,803	5,961,606	
Animal Control Officer Training and Training Course Approval	35,808	35,807	71,615	1.0
Animal Euthanasia Technician Training Course Approval	35,808	35,807	71,615	1.0

# Partial Reductions with FTEs



Activity	FY2022	FY2023	Total	FTE
Texas Primary Care Office (TPCO) - Strategy Reduction	14,753	14,752	29,505	1.0
Diabetes Prevention and Control	112,497	112,497	224,994	1.0
Heart Attack and Stroke Data Collection activities	160,919	160,919	321,838	2.0
Heart Disease and Stroke Activities	136,856	136,856	273,712	2.5
Tattoo & Body Piercing	34,012	34,012	68,024	1.0
Community Sanitation	34,232	34,231	68,463	1.0
EMS and Trauma System Development, Implementation, and Evaluation	1,032,953	1,032,953	2,065,906	1.7
Food Service Establishments	83,619	83,618	167,237	2.0
Radiation Control - Strategy Reduction	218,499	218,499	436,998	5.0
Public Health Preparedness and Coordinated Services - Strategy Reduction	369,388	369,388	738,776	5.0



# Partial Reductions



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Activity	FY2022	FY2023	Total	FTE
Data Analytics – Health Improvement	64,274	64,272	128,546	
Workforce Training	14,396	14,396	28,792	
School-Based Health Centers and Advisory	500,000	500,000	1,000,000	
Community Assessment Activities	120,038	120,038	240,076	
Tobacco prevention	95,983	95,982	191,965	
Vital Statistics - Strategy Reduction	308,751	308,751	617,502	
Health Registries - Strategy Reduction	221,988	221,988	443,975	
Texas.GOV	37,394	37,393	74,787	
Consumable Hemp Products	9,751	9,750	19,501	
Meat Safety	97,531	97,530	195,061	
Youth Camps	3,711	3,710	7,421	
School Cafeteria Inspections	10,009	10,009	20,018	
HIV Reduction	2,485,539	2,485,539	4,971,078	
Adult Safety Net Program	2,000,000	2,000,000	4,000,000	
Rabies Biologicals Distribution	186,464	186,463	372,927	

# Partial Reductions (cont.)



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Activity	FY2022	FY2023	Total	FTE
Prevent and Control the Spread of TB and Hansen's Disease	60,000	60,000	120,000	
Oral Rabies Vaccination Program	46,614	46,614	93,228	
Animal Friendly Grants for Low to No-Cost Dog and Cat Sterilization	2,597	2,596	5,193	
Laboratory Testing	29,739	29,737	59,476	
Conduct Surveillance; Investigate and Control Infectious Diseases	2,745	2,744	5,489	
Report Health Care-Associated Infections and Preventable Adverse Events	2,773	2,772	5,545	
Texas-Mexico Binational Health Councils; United States-Mexico Border Health Commission (BHC); Community-based Border Health Activities	61,046	61,046	122,092	
Inpatient Treatment of Tuberculosis (TB) Disease; Outpatient Treatment of Hansen's Disease	615,541	615,541	1,231,082	
Texas Primary Care Office (TPCO) Fund 0524 Reduction	782,562	782,562	1,565,124	
Administrative Reductions - Health and Human Services (HHS) Shared and DSHS	2,292,525	2,292,521	4,585,046	
<b>Agency Total</b>	<b>\$16,464,932</b>	<b>\$16,464,909</b>	<b>\$32,929,840</b>	<b>33.0</b>

# Exceptional Items

Department of State Health Services: Exceptional Items for FY2022-2023 - LAR -- DRAFT					
	GR	BIENNIAL TOTAL		FY 22 FTEs	FY 23 FTEs
		GRD/Other	All Funds		
<b>1 Infectious Disease/Laboratory</b>	<b>30,481,076</b>	<b>2,157,127</b>	<b>32,638,203</b>	<b>29.0</b>	<b>102.0</b>
<i>Infectious Disease Response</i>	21,675,587	-	21,675,587	15.0	88.0
<i>Spinal Muscular Atrophy (SMA)</i>	2,065,151	2,157,127	4,222,278	14.0	14.0
<i>TCID Shortfall</i>	6,740,338	-	6,740,338	-	-
<b>2 Rural and Frontier Public Health Services</b>	<b>18,736,451</b>	<b>-</b>	<b>18,736,451</b>	<b>39.0</b>	<b>39.0</b>
<i>Rural &amp; Frontier Mobile and Clinic Services</i>	13,331,862	-	13,331,862	36.0	36.0
<i>Electronic Health Records</i>	5,404,589	-	5,404,589	3.0	3.0
<b>3 Consumer Protection and Product Safety</b>	<b>2,222,114</b>	<b>5,442,635</b>	<b>7,664,749</b>	<b>29.4</b>	<b>28.4</b>
<i>Food Safety FTEs</i>	1,324,217	4,569,034	5,893,251	25.0	25.0
<i>Hemp Program</i>	590,470	-	590,470	3.4	3.4
<i>Customer Service Efficiency</i>	307,427	873,601	1,181,028	1.0	-
<b>4 Effective Business Operations</b>	<b>29,733,199</b>	<b>-</b>	<b>29,733,199</b>	<b>26.0</b>	<b>26.0</b>
<i>Fiscal Management FTEs</i>	7,558,278	-	7,558,278	25.0	25.0
<i>Data Center Services</i>	16,812,782	-	16,812,782	-	-
<i>Health Registries</i>	5,362,139	-	5,362,139	1.0	1.0
<b>Total Exceptional Requests</b>	<b>\$81,172,840</b>	<b>-</b>	<b>\$88,772,602</b>	<b>123.4</b>	<b>195.4</b>

# EI 1: Infectious Disease Response and Laboratory Capabilities



**Infectious Disease Infrastructure (Coronavirus Response):** \$21.7 Million in General Revenue funds and 88 FTEs over the biennium (15 FTEs in FY2022 and 88 FTEs in FY2023)

- Support critical infrastructure needed to maintain
  - Public health testing – including reagents and staff
  - Infectious disease surveillance
  - Local Health Department support

**Lab Capacity - Spinal Muscular Atrophy (SMA):** \$2.1 Million in GR (\$4.2 Million All Funds) and 14.0 FTEs

- Support the full implementation of testing Texas newborns for SMA.

**Texas Center for Infectious Disease Hospital (TCID) Shortfall:** \$6.7 Million over the biennium

- Support the operation of TCID following the depletion of DSRIP revenue and medical inflation.

# EI 2: Rural and Frontier Public Health Services



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**Rural and Frontier Clinic Services:** \$13.3 Million in GR and 36 FTEs over the biennium to provide a mix of leased office space and mobile clinics to provide essential public health services to underserved rural communities.

- Fifteen additional rural and frontier satellite field offices, serving approximately 600,000 Texans with core public health functions including surveillance, treatment, and prevention of infectious diseases.
- Three Mobile Clinic vehicles and support staff to serve harder-to-reach areas as a pilot program.

**Electronic Health Records (EHR) for Regional Offices:** \$5.4 Million and 3 FTEs over the biennium

- Establish and maintain an electronic health record system to enhance care for 60,000 patients served annually by DSHS public health regional offices.

# EI 3: Consumer Protection and Product Safety



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**Food Safety FTEs:** \$1.3 Million in GR (\$5.9 Million All Funds) and 25 FTEs

- Increase the number of public health retail and manufactured food inspectors in DSHS regions in response to SAO audit findings and provide targeted equity adjustments for existing food inspectors staff to prevent costly turnovers.

**Consumable Hemp Program:** \$0.6 Million in GR and 3.4 FTEs

- Better right size the program based on anticipated license and registrations, as well as product testing and enforcement activities required by statute.
- The revenue generated by the license and registration fees are expected to cover the cost of the additional FTEs.

**Customer Service Efficiency:** \$0.3 Million in GR (\$1.2 Million All Funds) and 1 FTE

- Increase the functionality of the existing online licensure and registration system to streamline licensure and renewal processes, increase security, and improve inspection processes.

# EI 4: Effective Business Operations and IT Security

## **Business Infrastructure:** \$24.4 Million in GR and 25 FTEs

- Increase the number of fiscal management FTEs in response to State Auditor Office findings, provide targeted equity adjustments to prevent costly turnovers.
- Cover increasing Data Center Services costs.

## **Registry System Viability Assessment:** \$5.4 Million in GR and 1 FTE

- Obtain a third-party vendor to conduct an assessment of long-term IT needs of critical public health registries: EMS, Trauma, Birth Defects, Blood Lead, and THISIS registries.



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# Questions?





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# Thank you

**Donna Sheppard**