

FISCAL YEAR 2026 BUDGET WORKSHOP

Monday, August 4, 2025

9:00 A.M.

BOARD ROOM

4800 Fournace Place, Bellaire, TX 77401

The meeting may be viewed online: <http://harrishealthtx.swagit.com/live>.

*Notice: Some Board Members may participate by videoconference.

Mission

Harris Health is a community-focused academic healthcare system dedicated to improving the health of those most in need in Harris County through quality care delivery, coordination of care and education.

AGENDA

- | | | |
|--|-----------------------|---------|
| I. Call to Order and Record of Attendance | Dr. Andrea Caracostis | 2 min |
| II. Public Comment | Dr. Andrea Caracostis | 3 min |
| III. Presentation and Discussion Regarding Harris Health's Fiscal Year 2026 Preliminary Budget Projections – Ms. Victoria Nikitin and Ms. Alison Perez | | 114 min |
| IV. Adjournment | Dr. Andrea Caracostis | 1 min |

Public Comment Registration Process

Pursuant to Texas Government Code Ann. §551.007, members of the public are invited to attend the regular meetings of the Harris Health Board of Trustees and may address the Board during the public comment segment regarding an official agenda item or a subject related to healthcare/patient care rendered at Harris Health. Public comment will occur prior to the consideration of all agenda items.

If you have signed up to attend as a public speaker attending virtually, a meeting link will be provided within 24-48 hours of the scheduled meeting. Notice: Virtual public speakers will be removed from the meeting after speaking and have the option to join the meeting live via

<http://harrishealthtx.swagit.com/live>. You must click the "Watch Live" hyperlink in the blue bar, located on the top left of the screen.

How to Request to Address the Board of Trustees

Members of the public must register in advance to speak at the Harris Health Board of Trustees Board meetings. Members of the public can contact the Board of Trustees Office during core business hours, Monday through Friday between 8:00 a.m. to 4:00 p.m. To register, members of the public must submit registration no later than 4:00 p.m. on the day before the scheduled meeting using one of the following manners:

1. Providing the requested information located in the "Speak to the Board" tile found at <https://www.harrishealth.org/about-us-hh/board/Pages/registerForm.aspx>
2. Printing and completing the downloadable registration form found at <https://www.harrishealth.org/about-us-hh/board/Documents/Public%20Comment%20Registration%20Form.pdf>
3. Emailing a hard-copy of the completed registration form to BoardofTrustees@harrishealth.org
4. Mailing a completed registration form to 4800 Fournace Pl., Ste. E618, Bellaire, TX 77401
5. Contacting a Board of Trustees staff member at (346) 426-1524 to register verbally or by leaving a voicemail with the required information denoted on the registration form

Prior to submitting a request to address the Harris Health Board of Trustees, please take a moment to review the rules to be observed during the Public Comment Period.

Rules During Public Comment Period

The presiding officer of the Board of Trustees or the Board Secretary shall keep the time for speakers.

Three Minutes

A speaker, whose subject matter, as submitted, relates to an identifiable item of business on the agenda, will be requested by the presiding officer to come to the podium where they will be provided three (3) minutes to speak. A speaker, whose subject matter, as submitted, does not relate to an identifiable item of business on the agenda, will also be provided three (3) minutes to speak. A member of the public who addresses the body through a translator will be given at least twice the amount of time as a member of the public who does not require the assistance of a translator.

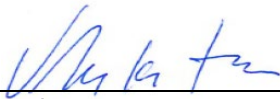
Meeting of the Board of Trustees

Monday, August 4, 2025

Presentation and Discussion Regarding Harris Health's Fiscal Year 2026
Preliminary Budget Projections

Attached for your review is the Harris Health Fiscal Year 2026 Preliminary Budget Projections.

- October 2025 – September 2026



Victoria Nikitin
EVP – Chief Financial Officer



FY 2026 Preliminary Budget Projections (October 2025 – September 2026)

Victoria Nikitin, EVP and Chief Financial Officer
Alison Perez, VP – Financial Planning & Analysis

HARRISHEALTH



Financial Forecasting Process

- Fiscal Year 2025 data (based on June YTD actuals) utilized as the baseline for budget projections.
- Baseline revenue and expenses updated to reflect the most current information available as well as inflationary assumptions.
- Integrates prioritized, system wide strategic initiatives.
- Includes operating dollars associated with strategic capital projects.
- Maintains M&O tax revenue projections at current year level pending FY2026 projections from the County.



Implementation of Strategic Plan in FY 2026

HARRISHEALTH

Implementation of 2021-2025 Strategic Plan and Development of 2026-2030 Strategic Plan

- Harris Health leadership, at the direction of Harris Health's Board of Trustees, continues to implement strategies and initiatives aligned with the organization's 2021-2025 Strategic Plan.
- Harris Health's Board of Trustees and Executive Leadership team are developing the 2026-2030 Strategic Plan, which builds on themes found in the 2021-2025 Strategic Plan (such as Quality & Patient Safety, People, Health Promotion & Disease Prevention, and System Optimization) while adding a focus on Resiliency and Access.



Strategic Facilities Plan

- In November 2023, 72% of Harris County voters approved Harris Health's \$2.5 billion bond proposal, paving the way for Harris Health to execute the first phase of its Strategic Facilities Plan.
- Much progress has been made on the **LBJ Campus**. The replacement hospital design phase is complete and construction is ongoing, with occupancy projected in Q1 of 2029. A new visitor parking garage and Central Utility Plant are also under construction, with expected completion of both in 2027. The Board also recently approved the design work for addition of radiation oncology and infusion therapy at the legacy hospital, with expected occupancy in 2028 .



Strategic Facilities Plan

- On the **Ben Tab campus**, Harris Health has completed a telemetry expansion and is in the design development phase for the Critical Care Unit (CCU) renovation and reconfiguration, which is expected to be complete in Spring of 2027. Harris Health is also in the planning phase for numerous imaging equipment replacements and improvements and additionally is preparing to begin a number of projects intended to address key mechanical, electrical, plumbing and sewer issues. Simultaneously, planning will continue for a new patient care tower (approximately 120 beds).

Strategic Facilities Plan

- Related to **Ambulatory Care Services**, Harris Health has completed demand forecasting and is determining locations for the new ambulatory care clinics that will be funded with bond proceeds. Additional Ambulatory Care projects that are in the design phase include imaging and radiation oncology improvements at Smith Clinic, development of urgent care centers on the campuses of Casa de Amigos, El Franco Lee, and Vallbona, campus improvements at Vallbona, a new Pasadena Square Health Center, and an expansion/renovation of Cypress Health Center, among others.

Strategic Facilities Plan

- A new **Holly Hall Operations Center** building is being constructed which will house the Central Fill Pharmacy, EMS, and other virtual care services. Occupancy is expected to begin in September of 2026.
- Harris Health is also implementing an **Infrastructure Resiliency Plan** (to include generators and improved electrical distribution) at LBJ Hospital and the LBJ Outpatient Center/Ambulatory Surgery Center, Ben Taub Hospital, and the following Ambulatory Care health centers: Aldine, Quentin Mease, Smith Clinic, Gulfgate, Martin Luther King, Jr., and El Franco Lee.

Approved Strategic Initiatives

In addition to the Strategic Facilities Plan, the following initiatives in support of the system's Strategic Plan are currently **in progress** and are included in the draft budget for FY 2026:

- **Hospital at Home** service expansion to include necessary infrastructure and staffing;
- Expansion of the **Endoscopy Center at Quentin Mease** to two rooms, five days per week;
- Implementation of **Epic Rover** and **Unified Communications**;
- Implementation of **Epic Back to Foundation** (major release 1 of 2 in FY 2026);
- Implementation of **Service Now** to streamline and automate IT, HR and other business workflows;
- Addition of **Phlebotomists in the Emergency Centers**;
- **Outpatient Parenteral Antibiotic Therapy Program** Expansion; and
- Creation of **Utilization Review Team**



Pending Strategic Initiatives

The following strategic Initiatives are **not yet implemented** but are included in the draft FY 2026 budget.

- Increase in **Living Wage** from \$16/hour to \$17/hour;
- **Central Sterile Compounding Service Center**; and
- “Healthy Connect” **Remote Patient Monitoring for Blood Pressure** Program Expansion;

These initiatives will be implemented in FY 2026 assuming revenues and expenses support the deployment of each. Additional initiatives will be considered throughout the year based on alignment with strategic priorities and the availability of funding.



Other Strategic Initiatives

Harris Health is implementing **patient throughput initiatives** to improve safety and effectiveness of care including the following:

- Staffing changes related to patients boarding in the Emergency Centers, such that these patients receive inpatient level care;
- Focus on improvements in inpatient length of stay; and
- Enhanced utilization of Virtual Patient Observation

A photograph of a healthcare worker in blue scrubs and a light blue surgical mask, sitting at a computer workstation in a hospital or clinic. The worker is looking at a monitor and has their hands on a keyboard. In the background, other staff members are visible, also wearing masks, working at similar stations. The scene is brightly lit, suggesting a modern healthcare environment.

FY 2026 Patient Volumes, Revenues & Expenses



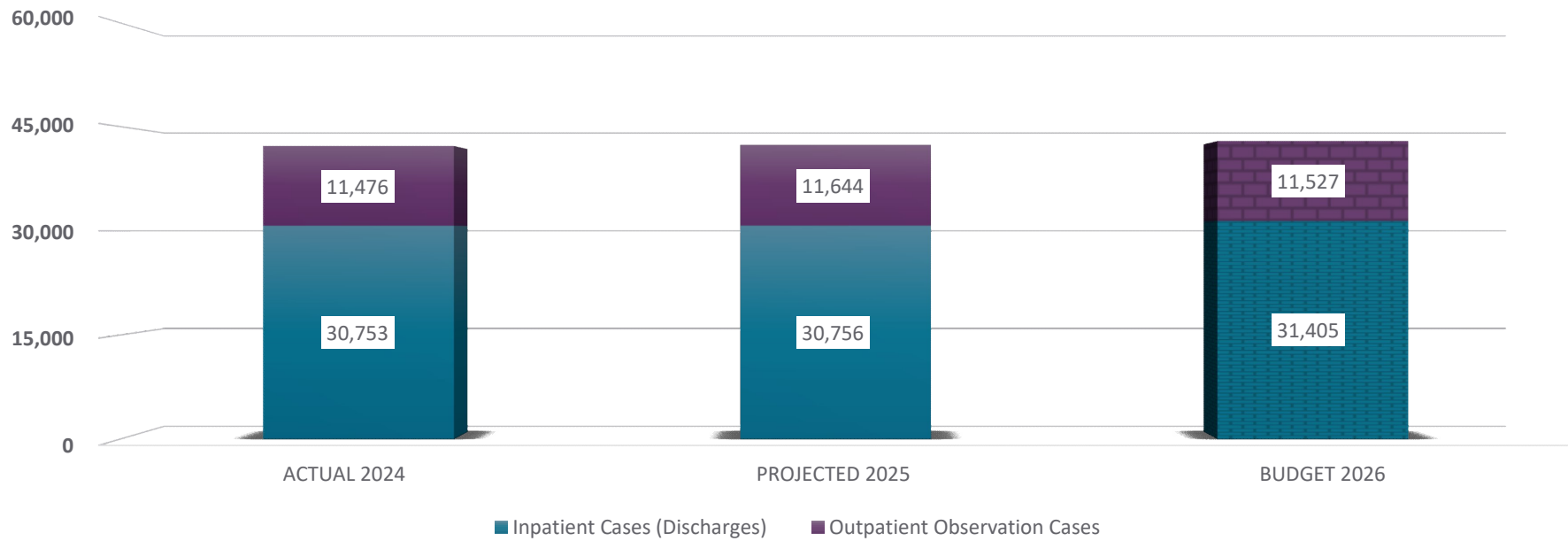
Patient Volume

- Income eligibility criteria will be maintained at 150% of the federal poverty level. There are no plans to change the indigent care policy (Financial Assistance Program) affecting patient volumes.
- While overall volumes are projected to remain stable as compared to current year levels, Harris Health continues to advance strategies that optimize our patient care platform and align with our strategic pillars, ensuring the delivery of high-quality, accessible care across the system.

Inpatient Volume

- Overall inpatient volumes are expected to remain consistent with current year levels as capacity continues to exceed 90% at both hospitals. Total Patient Days, inclusive of outpatient observation days, are projected at 241,235 for FY 2026.
- While both hospitals continue to implement initiatives to address patient throughput, the total number of cases occupying beds is expected to reflect volume consistent with current fiscal year levels. Total FY 2026 cases are projected at 42,932, with inpatient cases at 31,405 and outpatient observation cases at 11,527.
- Inpatient surgery cases are projected to increase approximately 4%, to 11,064 cases compared to expected FY 2025 year end cases. The increase is attributed to the completion of the OR refresh project at LBJ in May 2026, thus allowing for the utilization of all ORs.
- Labor and delivery volumes are expected to remain at levels similar to current year with approximately 5,400 births anticipated for the upcoming fiscal year.

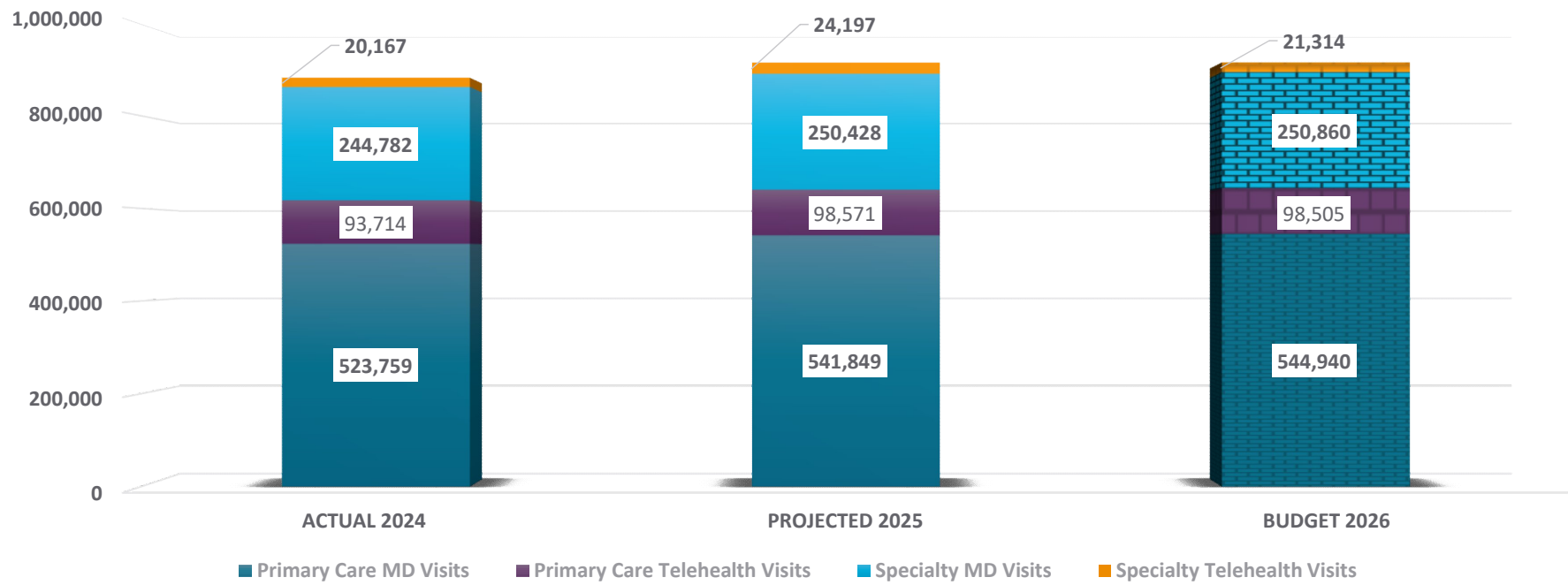
Cases Occupying Beds



Outpatient Volume

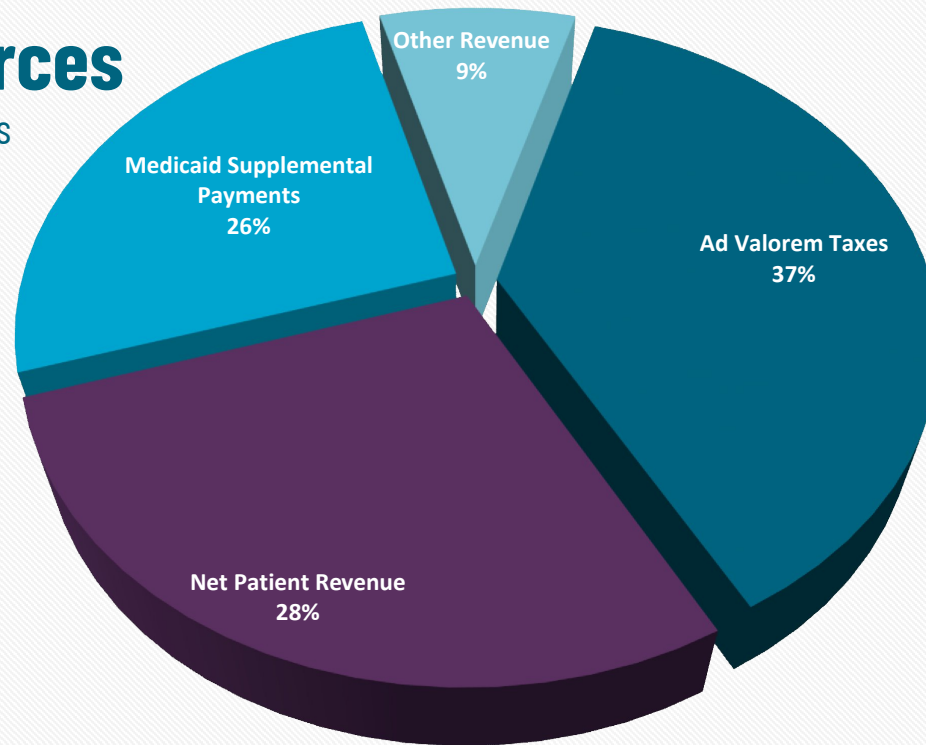
- Outpatient visits, inclusive of primary, specialty, and telehealth visits are expected to remain consistent with current year levels at 915,619 projected visits for FY 2026.
- Emergency room visits are projected at 167,388 visits for FY2026, reflecting the multi-year visit trend.
- Overall outpatient surgery cases are projected to decrease by approximately 6.8%, to 11,580 cases, compared to the current fiscal year. The decrease is a result of rooms closures related to a planned refresh at the Outpatient Center scheduled for FY 2026.

Total Clinic Visits



Revenue Sources

FY 2025 Projected Financials



■ Ad Valorem Taxes ■ Net Patient Revenue ■ Medicaid Supplemental Payments ■ Other Revenue

Net Revenue

	FY 2025 Year End Projected Actuals	FY 2026 Proposed Annual Budget	\$ Variance to Projected Year End Increase/(Decrease)	% Variance Projected Year End vs Proposed Budget
\$ In Millions				
Revenue:				
Net Patient Service Revenue	\$ 762.0	\$ 820.5	\$ 58.4	7.7%
Medicaid Supplemental Programs	696.1	655.5	(40.6)	-5.8%
Other Operating Revenue	46.1	52.3	6.2	13.4%
Total Operating Revenue	1,504.2	1,528.2	24.0	1.6%
Net Ad Valorem Tax Revenue	1,020.8	1,071.6	50.8	5.0%
Net Tobacco Settlement Revenue	19.0	15.2	(3.8)	-20.0%
Capital Gifts & Grants	4.0	10.0	6.0	150.0%
Interest Income & Other	166.7	69.7	(97.0)	-58.2%
Total Nonoperating Revenue	1,210.5	1,166.5	(44.0)	-3.6%
Total Net Revenue	\$ 2,714.7	\$ 2,694.7	\$ (20.0)	-0.7%

Note: Harris Health's financials and budget are prepared on the accrual basis of accounting in accordance with U.S. Generally Accepted Accounting Principles (GAAP) as defined by the Governmental Accounting Standards Board.

Revenue Assumptions and Uncertainties

- This budget draft is based on known historical and predictable future factors driving Net Patient Service Revenue, Medicaid Supplemental Program Revenue, and Ad Valorem Revenue.
- At this time, several uncertainties remain unresolved and will continue to be outstanding through the fall of 2025 due to federal policy timelines and pending Congressional decisions. Such contingencies are not factored into the budget calculations due to their high volatility, and include program decision related to:
 - Medicare ACA DSH add-on payments;
 - Potential Medicaid DSH cuts; and
 - Certain Medicaid Supplemental decisions.
- As Harris Health learns about each individual contingency, Administration will inform the Board of potential impact on the organization's budget and financial position.



Net Patient Revenue

- Total Net Patient Service Revenue comprises under 30% of the revenue portfolio for the System. FY 2026 projections reflect both the overall volume projections for next year as well as increases in both Patient Service Revenue and Medicare ACA DSH add-on payments.
- Patient Service Revenue is projected to increase by 2% or \$13 million for FY 2026 driven by revenue optimization efforts underway.
- The ACA-mandated uncompensated care pool, specific to the Medicare DSH program, will result in a corresponding payment increase of \$45.3 million for FFY 2026, subject to final Inpatient Prospective Payment System (IPPS) rule by CMS to be adopted by October 1.
- Total Net Patient Service Revenue is currently estimated at \$820.5 million for FY 2026.

Medicaid Supplemental Payments

- Medicaid Supplemental and Directed Payment Programs in Texas have been created over time, to assist hospitals with covering cost of care not covered with base Medicaid rates and to support providers serving low-income uninsured populations.
- About one-third of these payments are relatively predictable as they are based on the volume of care and negotiated rates.
- However, two-thirds are much less predictable due to dependencies on state and federal policy decisions regarding funding amounts and distributions. These include largest programs such as DSH, UC, and CHIRP.

Source: Teaching Hospitals of Texas (THOT)

Medicaid Supplemental Payments

- Medicaid Supplemental Programs' revenues make up approximately 26% of Harris Health's total revenue and include Medicaid Disproportionate Share (Medicaid DSH), Uncompensated Care (UC) and High Impecunious Charge Hospital (HICH), Comprehensive Hospital Increase Reimbursement Program (CHIRP), Network Access Improvement Program (NAIP), Hospital Augmented Reimbursement Program (HARP) and Graduate Medical Education (GME) program funding.
- In FY 2025, HHSC implemented two new programs: APHRIQA (Alternate Participating Hospital Reimbursement for Improving Quality Award) and ATLIS (Aligning Technology by Linking Interoperable Systems), which are expected to continue into FY 2026.



Medicaid Supplemental Payments

- At this time, the Texas Health and Human Services Commission (HHSC) has not settled over two-thirds of Harris Health’s projected Medicaid Supplemental program revenue. This includes UC and HICH program revenues, which comprise the bulk of annual receipts.
- Such distributions will not be complete until later in the fiscal year, adding to the budget uncertainty. In its FY 2026 budget estimates, Harris Health is relying upon the modeling done by the similarly-situated peer safety net TX hospitals and will continue to update and refine those until HHSC produces a payment file.



Medicaid Supplemental Payments (Uncompensated Care)

- Harris Health is the largest provider of Uncompensated Care in the state, and one that receives the largest funding distribution. Due to the policy decisions at the state and federal level occurring later in the fiscal cycle (September and October), this program is particularly vulnerable to change in budget calculations.
- The estimated annualized UC net benefit for FY 2025 reflects a total of \$317.1 million. Projected funding for FY 2026 is estimated to be \$303.9 million. The decrease is attributed to \$13.2 million one-time refunds received from the State in FY 2025.

Medicaid Supplemental Payments (Medicaid DSH)

- The annualized DSH net benefit for FY 2025 reflects a total of \$211.5 million. Projected funding for FY 2026 is estimated to be \$184.1 million. The decrease is attributed to FFY 2018-2023 one-time refunds received from the State.
- Harris Health continues to provide intergovernmental transfers (IGT) for the private hospitals for Medicaid DSH, and is credited that same IGT amount in the payment calculations.
- As noted earlier, any potential impact of DSH cuts at the Congressional level may not be known until late fall of 2025, and, therefore, is not included in the projections.



Medicaid Supplemental Payments (HARP)

- The Hospital Augmented Reimbursement Program (HARP) is a relatively new statewide supplemental program (as of FFY 2022) providing Medicaid payments to hospitals for inpatient and outpatient services that serve Texas Medicaid fee-for-service (FFS) patients.
- Harris Health is currently projecting \$92.6 million in program revenue for both FY 2025 and FY 2026.



Medicaid Supplemental Payments (CHIRP, NAIP, GME)

- For the Comprehensive Hospital Increase Reimbursement Program (CHIRP), the net annual benefit to the System is estimated at \$19.3 million for FY 2025 and Harris Health expects to retain similar reimbursement levels through FY 2026.
- The Network Access Improvement Program (NAIP) funding is expected to be \$26.0 million for FY 2025 and is projected at the same level for FY 2026.
- The Graduate Medical Education (GME) funding program, started in October 2018, allows for recovery of some GME costs. The net benefit to Harris Health in FY 2025 is estimated at \$23.9 million and is projected at the same level for FY 2026.

New Medicaid Supplemental Programs for FY 2025 (APHRIQA, ATLIS)

- Under the CHIRP umbrella, the Alternate Participating Hospital Reimbursement for Improving Quality Award (APHRIQA) was introduced during FY 2025. As the name implies, APHRIQA is a hospital incentive program. FY 2025 funding is projected to be \$5.5 million and will be budgeted at the same level for FY 2026.
- Aligning Technology by Linking Interoperable Systems (ATLIS), an incentive program for Medicaid MCOs, was introduced during FY 2025. The overall goal of the ATLIS program is to provide an incentive to MCOs to encourage their in-network hospitals to provide real time notifications on their Medicaid patients' admissions, discharges and transfers, as well as a set of clinical information with the goal of improving MCO quality of care to patients. Funding is projected to be negligible for both FY 2025 and FY 2026 at less than \$0.3 million per year.

Ad Valorem Taxes

- The County OMB is in the process of calculating FY 2026 tax rates and the corresponding aggregate tax revenue and was not in a position to provide Harris Health with the tax projections at the time this presentation was prepared. Projections are expected to be finalized ahead of the formal presentation of the proposed budget to the Board on August 28th.
- For FY 2026, tax revenues are currently projected at \$1,071.6 million. This represents the same level of tax support received for FY 2025, pending the receipt of updated projections from the County OMB, plus an additional \$50.8M in debt service attributable to the May 2025 issuance of the \$840 million bonds. The additional funds are expected to be added to the I&S tax rate raised by Harris County for Harris Health in calendar 2025.

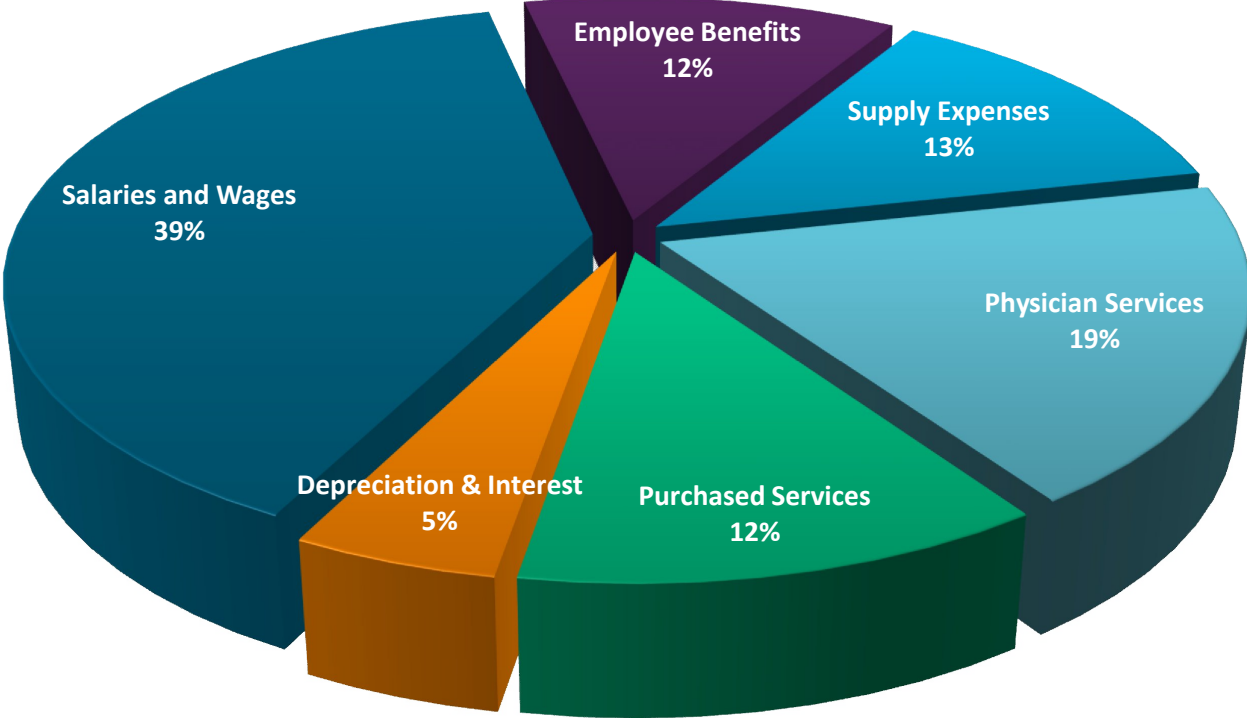


Other Revenue

- All other sources of revenue are expected to remain relatively stable for FY 2026, with exception of the funding received from the County for the Correctional Health interlocal agreement (ILA). Harris Health will see a net decrease of \$91.2 million in revenue related to the change in ILA with the County.
- The annual philanthropic commitment from the Strategic Fund is projected at \$10 million for FY 2026 and is reflected in the capital gifts and grants section of Other Revenue.

Expense Categories

FY 2025 Projected Financials



- Salaries and Wages
- Employee Benefits
- Supply Expenses
- Physician Services
- Purchased Services
- Depreciation & Interest

Operating Expense

	FY 2025 Year End Projected Actuals	FY 2026 Proposed Annual Budget	\$ Variance to Projected Year End Increase/(Decrease)	% Variance Projected Year End vs Proposed Budget
\$ In Millions				
Expense:				
Salaries and Wages	\$ 1,004.3	\$ 1,094.7	\$ 90.4	9.0%
Employee Benefits	314.5	345.6	31.0	9.9%
Total Labor Cost	1,318.9	1,440.3	121.4	9.2%
Supplies	333.1	352.1	19.0	5.7%
Physician Services	483.5	484.5	1.1	0.2%
Purchased Services	317.7	346.2	28.5	9.0%
Depreciation, Amortization & Interest	123.7	162.4	38.7	31.3%
Total Operating Expense	\$ 2,576.9	\$ 2,785.6	\$ 208.7	8.1%

Note: Harris Health's financials and budget are prepared on the accrual basis of accounting in accordance with U.S. Generally Accepted Accounting Principles (GAAP) as defined by the Governmental Accounting Standards Board.

Salaries & Benefits

- Salaries and wages are expected to grow by 9.0%, or \$90.4 million in FY 2026, to a total of \$1,094.7 billion.
- This increase includes general inflationary adjustments of 5.1% or \$43.3 million to account for merit and market adjustments in alignment with current market trends. These adjustments are needed to remain competitive in the current healthcare industry.
- Additional salary and wage expense anticipated in FY 2026 is attributed to volume increases and approved strategic initiatives, counterbalanced by Harris Health's focus on productivity improvements.
- Of note, Harris Health is transitioning from UH contracted providers to Harris Health employed providers in support of Correctional Health. As a result, dollars have shifted from Physician Services to Salaries and Benefits. This transition is expected to be budget neutral.



Salaries & Benefits

- Overall benefits are expected to grow by \$31.0 million, or 9.9% in FY 2026 to a total of \$345.6 million.
- This includes a 4.0% general inflationary increase for employee health insurance, while Pension and Post Employee Health Benefit projections are based on the most recently available actuarial assumptions.
- The cost of the total compensation portfolio in FY 2026 to support ongoing operations is projected at \$1,440.3 billion, or 51.7% of the total operating budget.

Supplies & Pharmaceuticals

- Overall supplies inclusive of pharmaceutical expense is projected to increase by 5.7% or \$19.0 million in FY 2026 to a total of \$352.1 million.
- Premier projects an overall 6.1% increase to supply expense in 2026, inclusive of pharmaceutical cost. Specifically, non-pharmaceutical supplies for DSH-eligible hospitals are expected to experience an inflation rate of 5.5%, while pharmaceutical costs are forecasted to rise between 3% and 5% in 2025.
- The increase over the prior fiscal year largely stems from estimated inflation of \$18.3 million or 5.5%. Additional incremental expense is attributed to approved strategic initiatives.



Physician Services

- The overall cost of provider services is expected to increase by \$1.1 million or .2% in FY 2026 to \$484.5 million.
- Included in the projections are average contract rate increases for salaries as well as planned service expansions.
- Provider vacancies are expected to remain steady as compared to FY 2025.
- The projected expense includes the aforementioned transition of providers from UH to Harris Health in support of Correctional Health. As such, these dollars are now included under Salaries & Benefits.

Purchased Services

- Purchased Services are expected to grow by 9.0%, or \$28.5 million in FY 2026, to a total of \$346.2 million.
- Included in these projections are general inflationary increases of 4.0% as well as dollars associated with the aforementioned strategic initiatives.
- Marketplace insurance premium subsidies comprise \$11.8 million of the increase over current fiscal year end projections. The increase is attributed to an anticipated increase in medical insurance subsidies resulting from changes in the ACA Marketplace plan pricing driven by the expected repeal of the PHE flexibilities, and a related 10% increase in membership.



Depreciation & Interest

- Overall depreciation & interest is projected to increase 31.3% to FY 2025 year end projections \$162.4 million.
- Interest expense is expected to increase by approximately \$38.7 million over current year end projections attributed to the issuance of the first two installments of the \$2.5 billion bond.
- Debt service attributable to the May 2025 issuance of the \$840 million bonds is expected to be added to the I&S tax rate raised by Harris County for Harris Health in calendar 2025. The corresponding revenue projections are tentatively included in this presentation in the I&S section of the ad valorem rate pending confirmation of final amounts from the Harris County OMB.



Proposed Margin

- The preliminary margin target for FY 2026 is currently -3.4% which equates to \$90.9 million deficit based on the volume, revenue and expense assumptions presented.
- Specific budget details (volumes, revenues and expenses) are currently being finalized.
- Preliminary projections may be adjusted as the key drivers are further validated and updated.

Proposed Margin

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Depreciation, Amortization & Interest	123.7	162.4	38.7	31.3%
Total Operating Expense	\$ 2,576.9	\$ 2,785.6	\$ 208.7	8.1%
Operating Income (Loss)	\$ 137.8	\$ (90.9)	\$ (228.7)	-165.9%
Total Margin	5.1%	-3.4%		



Proposed Capital Budget (Routine)

- The overall capital budget for FY 2025 was \$158.7 million, of which \$53.8 million was for investment in facilities infrastructure.
- For FY 2026, Harris Health is shifting from a commitment-based budget methodology to a cash basis. As a result of this timing difference, a decrease is projected. The projected routine capital budget for FY 2026 is \$112.6 million.
- Capital dollars attributed to the \$2.5 billion bond issuance and associated strategic capital projects are not included in routine capital.

Significant Capital Projects (Routine)

- Holly Hall Operations Center including Central Fill Pharmacy/EMS build-out and expansion
- IT Technology Governance projects
- System-wide multi-device equipment refresh
- Virtual Patient Observation
- System-wide Facility Leases

Capital Category (In Millions)	FY 2026 Budget
Facilities Projects	\$ 65.8
Information Technology	14.3
Medical Capital	20.6
Other	9.9
Emergency Capital	2.0
Routine Capital Budget	\$ 112.6



Next Steps

- **August 8th** – Briefing with the Commissioners Court Staff on the Preliminary FY 2026 Budget
- **August 14th** - Preliminary FY 2026 Budget presented to County Commissioners
- **August 28th** - Presentation of Proposed FY 2026 Budget to Harris Health Board of Trustees for consideration of approval
- **September 18th** – Public hearing on proposed tax rate and FY 2026 Budget; anticipated approval of FY 2026 Budget by County Commissioners.