

FY 2027 DRAFT BUDGET PRESENTATION

Board of Trustees

Integral Care | August 2026

FY27 BUDGET — KEY HIGHLIGHTS

FY27 Revenue

\$163.7M

(\$0.9M) vs FY26 Budget

FY27 Expenses

\$163.7M

(\$1.0M) vs FY26 Budget

Net Income

\$0

Balanced Budget

vs Act. Projection

+\$5.8M

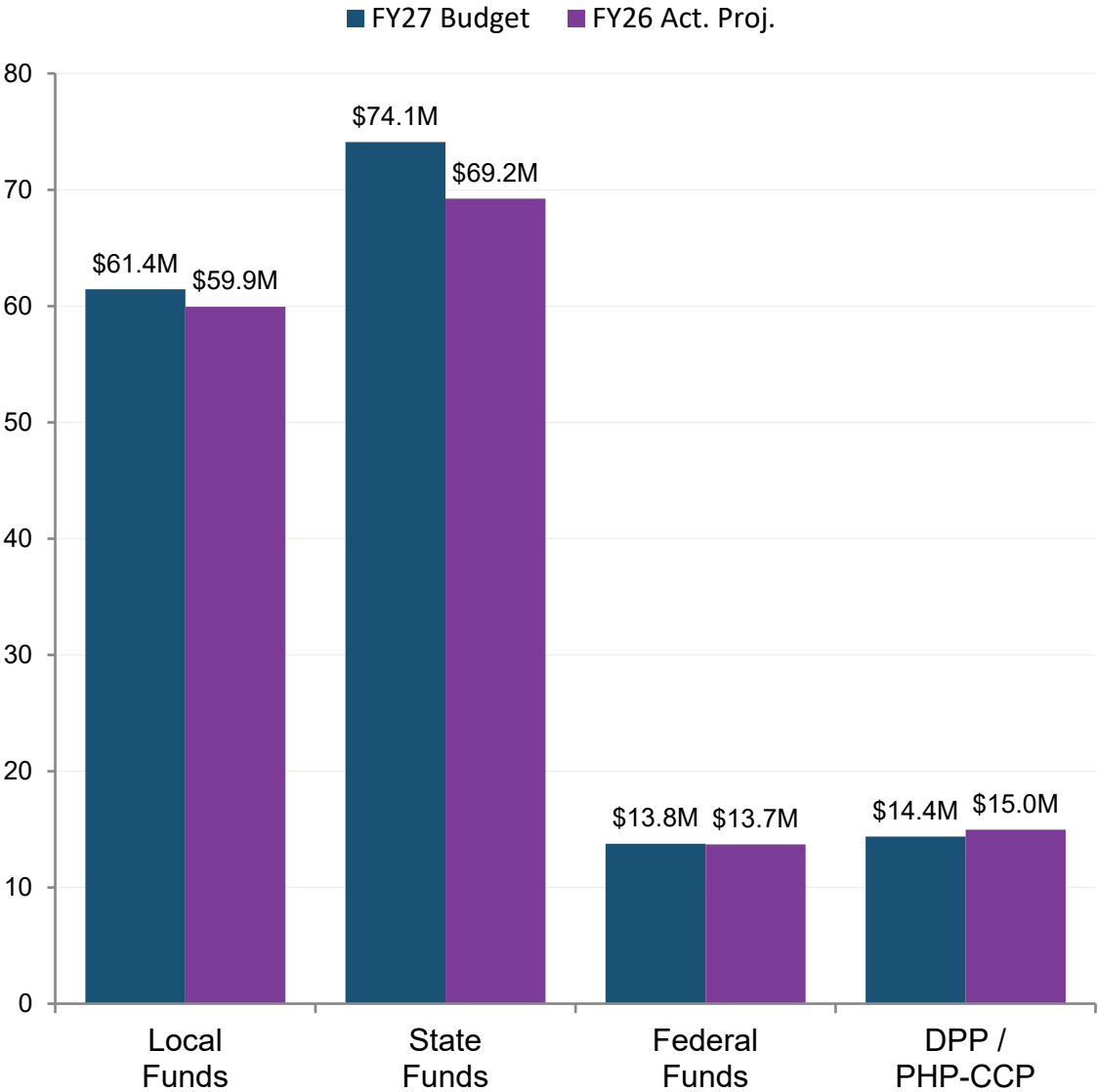
FY27 Rev vs FY26 Act Est

High Level Notes:

- FY27 budget is balanced at \$163.7M, \$0.9M below FY26 Budget revenue.
- Revenue is up \$5.8M (+3.7%) vs FY26 Actual Run Rate — FY27 budget exceeds what we expect to collect in FY26.
- Local Funds down (\$0.8M) vs FY26 Budget: COA (\$1.2M) and Travis County (\$0.9M) declines offset Central Health growth (\$2.9M).
- Expenses down (\$1.0M) vs FY26 Budget — Salaries +\$6.0M and Fringe +\$4.6M offset by Contracts & Consultants reduction (\$10.1M).
- Net Surplus/Deficit improves \$4.2M vs FY26 Actual (current run rate deficit of \$4.2M).

REVENUE — FY27 Budget vs FY26 Actual Run Rate Projection

All figures in \$millions



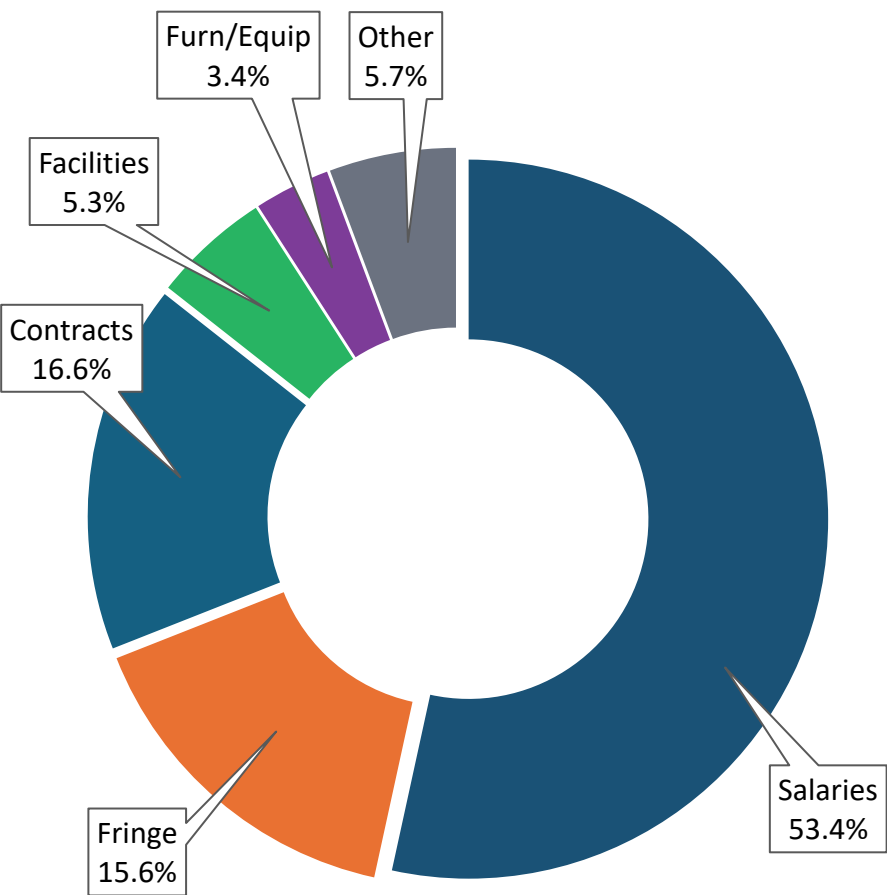
	FY27 Budget	FY26 Act. Proj.	Delta (\$/%)	Notes
City of Austin	\$13.7M	\$15.2M	(\$1.5M) (10.0%)	COA budget discussions are ongoing – estimate based on communications from COA
Travis County	\$16.3M	\$16.3M	+\$0.0M +0.0%	TC has not completed their budget, but we are expecting a flat value
Central Health	\$27.5M	\$24.1M	+\$3.4M +14.2%	Based on current discussions with CH, we anticipate some shifts coming from them
Other Local	\$3.9M	\$4.3M	(\$0.4M) (9.4%)	Loss of funding (e.g. SDF) partially offset by increased private fundraising
Local Total	\$61.4M	\$59.9M	+\$1.5M +2.5%	
State Funds	\$74.1M	\$69.2M	+\$4.9M +7.0%	Unlikely to be fully realized based on history
Federal Funds	\$13.8M	\$13.7M	+\$0.0M +0.4%	
DPP / PHP-CCP	\$14.4M	\$15.0M	(\$0.6M) (3.8%)	Expected less \$'s due to prior years' patterns and increased CH funding
TOTAL REVENUE	\$163.7M	\$157.8M	+\$5.8M +3.7%	

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REVENUE BRIDGE: FY26 Act. Proj. → FY27 Budget

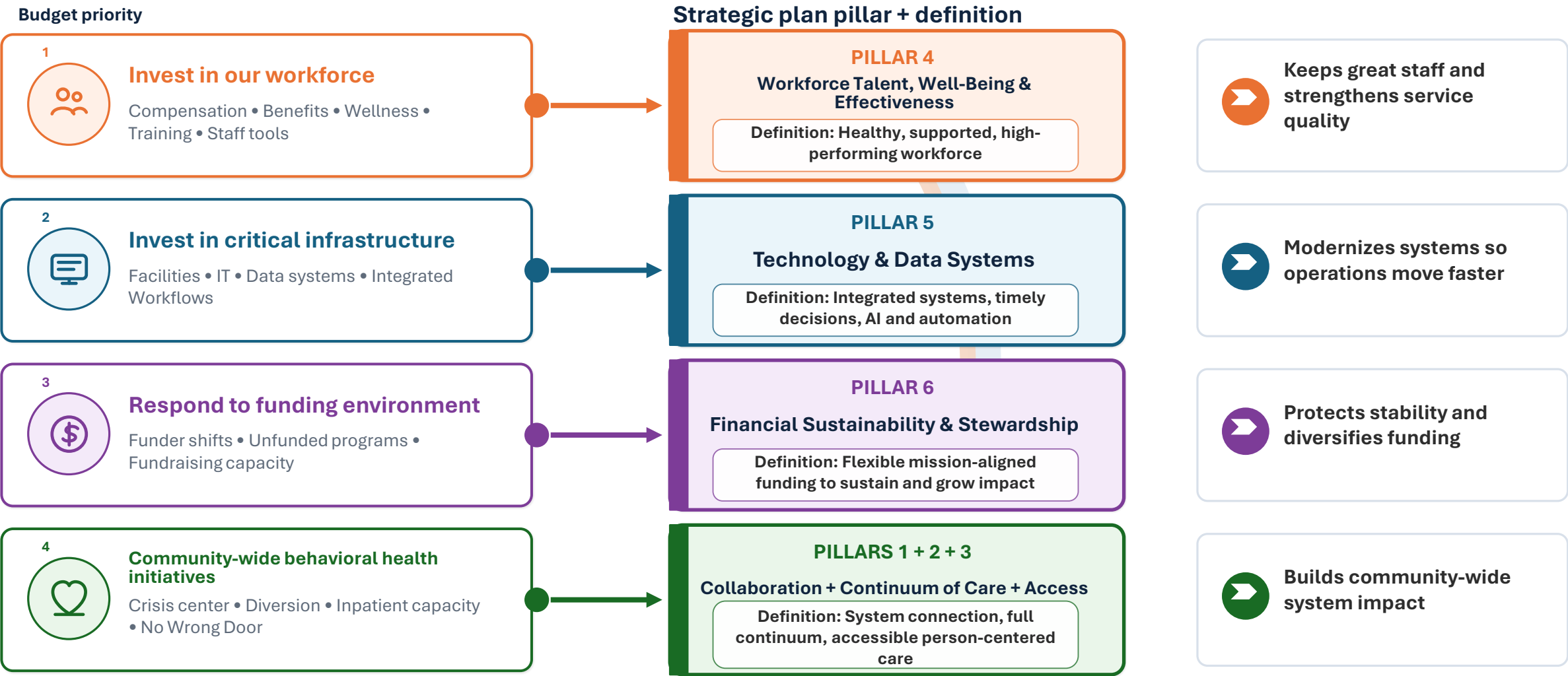


EXPENSE OVERVIEW — FY27 Budget vs FY26 Actual Run Rate Projection



	FY27 Budget	FY26 Act. Proj.	Delta (\$/%)	Notes
Salaries	\$87.4M	\$87.4M	+\$0.0M +0.0%	Turnover estimate included
Fringe Benefits	\$25.5M	\$23.2M	+\$2.3M +9.8%	Medical cost increase
Contracts & Consult.	\$27.2M	\$28.0M	(\$0.9M) (3.1%)	
Facilities / Util.	\$8.6M	\$8.5M	+\$0.1M +1.6%	
Furn. & Equipment	\$5.6M	\$4.4M	+\$1.2M +26.3%	Workday
Capital Outlay	\$1.9M	\$2.3M	(\$0.5M) (20.0%)	
Client Support	\$3.1M	\$3.1M	(\$0.0M) (1.0%)	
Travel / Workshop	\$1.1M	\$0.8M	+\$0.3M +37.6%	IRS rate up 8% YoY
Other Operating	\$1.3M	\$2.1M	(\$0.8M) (38.7%)	
Insurance	\$0.8M	\$0.9M	(\$0.0M) (5.0%)	Has not been quoted yet but reduced property
Prof. Fees / Transport	\$0.5M	\$0.6M	(\$0.1M) (18.2%)	
Supplies / Rx	\$0.8M	\$0.8M	+\$0.0M +3.0%	
TOTAL EXPENSES	\$163.7M	\$162.1M	+\$1.6M +1.0%	

FY27 Budget Priorities → Strategic Plan Alignment



Bottom line: The FY27 budget is balanced and visibly anchored in the Board-approved strategic plan.

People • Infrastructure • Sustainability • Community impact

EVALUATE FIRST. OPTIMIZE NEXT. ADJUST LAST.

A sequenced financial recovery roadmap that protects clinical continuity

01 EVALUATE

- **Strategic Hiring**— Access non-clinical, administrative, and non-essential position backfills and realigning existing positions.
- **Freeze Discretionary Spend** — Pause non-essential travel, training, marketing, and non-urgent capital expenditures.
- **Cash-Flow Monitoring** — Use executive daily and weekly cash tracking to prevent deeper deficit spending.

02 OPERATIONAL & ADMIN EFFICIENCY

- **Reduce Facility Footprints** — Consolidate co-located services or expand hybrid work to reduce lease and utility overhead.
- **Maximize Top-of-License Use** — Restructure scheduling so clinical staff focus exclusively on billable care hours.
- **Reorg Staffing Structures** — Position function evaluation to maximize efficiencies

03 REVENUE OPTIMIZATION

- **Improve Medicaid & Third-Party Billing** — Fix denials, coding errors, prior-authorization delays and staff productivity goals to boost revenue.
- **Funder Contract Negotiations**— Meet with individual funding entities to renegotiate contracts to include annual escalators and explore rate increases
- **Increase Fundraising & Explore Specialty Services** — New books of business

04 TARGETED PROGRAM ADJUSTMENTS

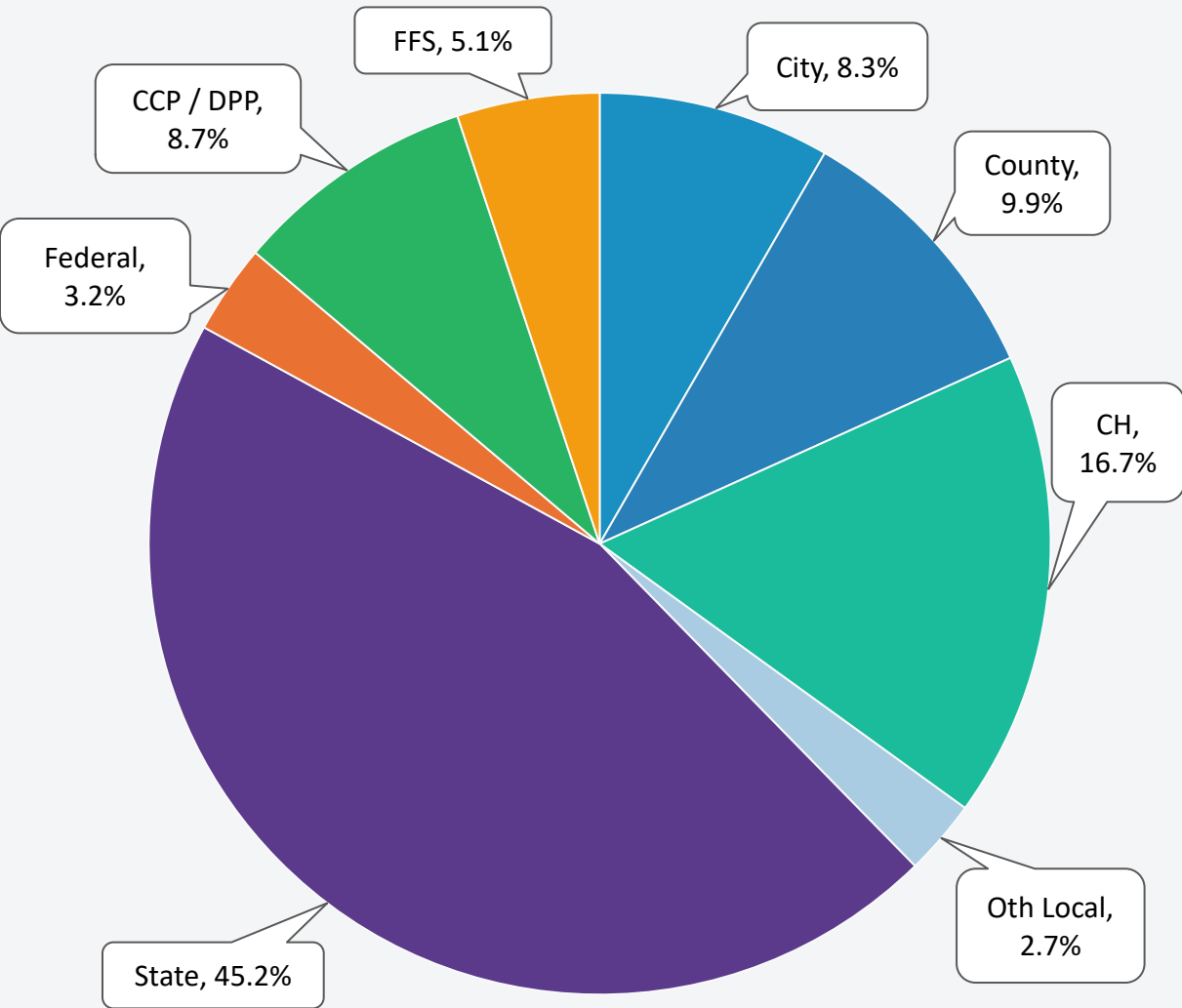
- **Program Review** — Sunset discretionary, non-statutory programs where alternative providers are available.
- **Execute Warm-Handoff Transfers** — Deflect lower-acuity clients to FQHCs or private clinics where capacity exists.

PROGRAMS WITH HIGHEST FUNDING GAP

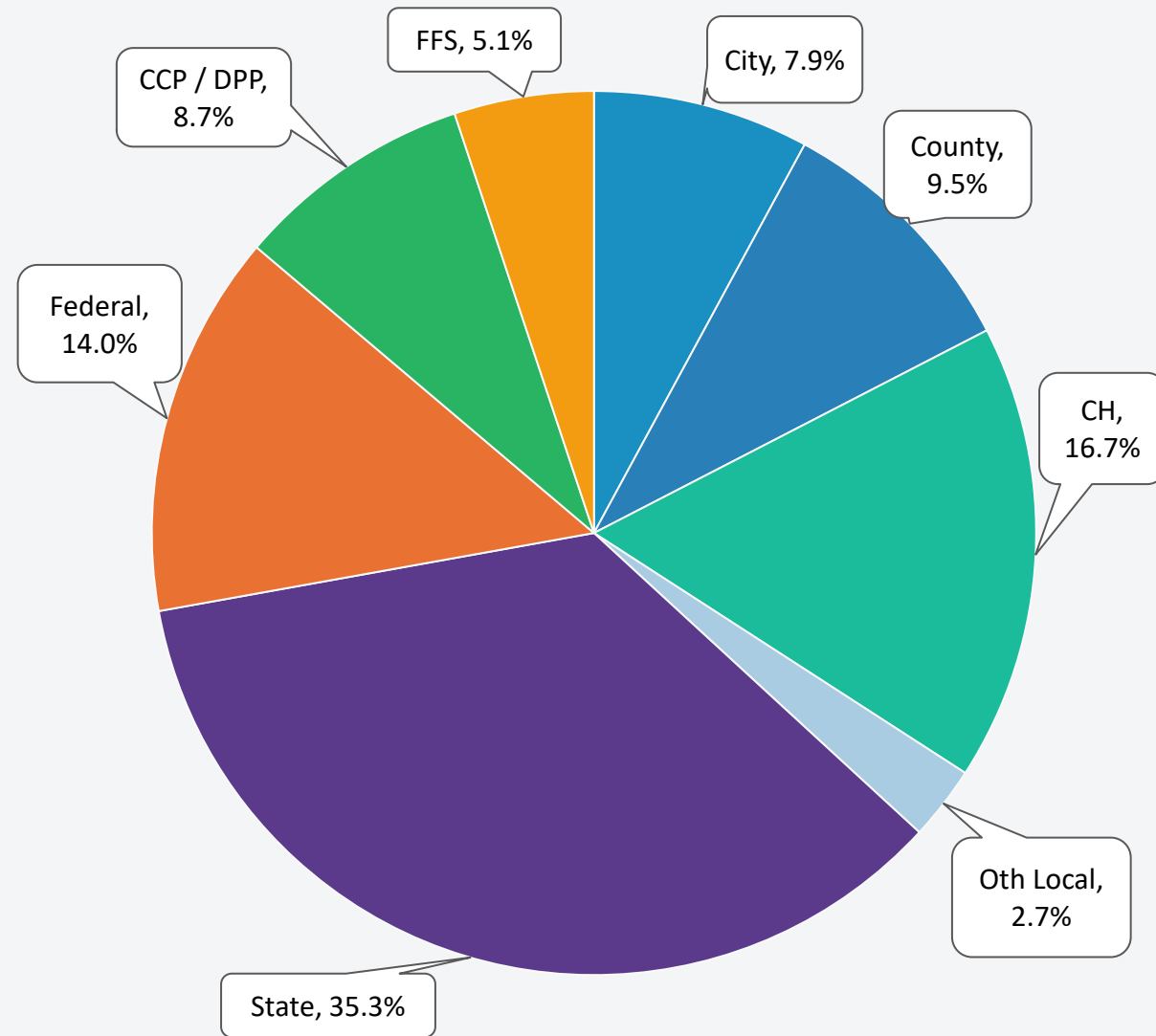
Risk varies by service; any discontinuation needs a program-specific mitigation plan.

PROGRAM + REACH	CCBHC	HHSC	REQUIREMENT	RISK IF DISCONTINUED
24/7 Helpline / 988 5,454 unduplicated clients	HIGH	HIGH	24/7 crisis screening, triage, 988 access and a full crisis continuum.	Direct gap in around-the-clock access; multiple certification criteria could be affected.
Integrated care clinics + call center Clinics 11,622 Call center 11,630	HIGH	HIGH	Coordinate behavioral and physical care; provide primary-care screening and monitoring. Call center ensures access and manages scheduling.	Weakens whole-person care evidence and may create screening and follow-up gaps.
Crisis residential continuum The Inn • Herman • Next Step • TDP 1,370 clients	MODERATE	HIGH	Maintain a least-restrictive crisis continuum and safe transitions after crisis care.	Could open a major gap between crisis response and inpatient hospitalization.
Home & Community-based Services 1,074 unduplicated clients	LOW	HIGH	Not a required CCBHC pathway; required under the HHSC contract.	Low direct CCBHC certification risk but high HHSC risk. Coordination gaps may affect co-occurring needs.
IDD service coordination 738 unduplicated clients	LOW	HIGH	Not named as a CCBHC service; cross-system coordination and HHSC delivery are required.	High HHSC risk; fragmentation may increase across IDD and behavioral health services.

FUNDING MIX – Direct vs Original Source



FY27 Budget – Direct Funder



FY27 – Original Source (estimate)

HISTORICAL BUDGET ACHIEVEMENT

	3 Year History	2 Year History	Notes
City of Austin	84.7%	90.0%	FY23 appears to be an anomaly
Travis County	88.5%	94.8%	FY23 appears to be an anomaly
Central Health	99.8%	100.8%	FY26 (not included) is tracking at <90%
State	95.3%	96.7%	
Federal	87.3%	83.3%	Small total \$'s
TOTAL	94.8%	96.6%	

FY27 BUDGET CONSTRUCTION – GENERAL REVENUE SAMPLE (FY26 data)

HHSC / State (4 GL codes)				
72130	TXMHMR General Revenue-MH	13	TOTAL	\$10,260,624
72130	TXMHMR General Revenue-MH	1	257 - North Service Center - Adult	\$1,927,896
72130	TXMHMR General Revenue-MH	2	251 - MMS CM Team 1	\$1,663,092
72130	TXMHMR General Revenue-MH	3	411 - Hotline	\$1,352,460
72130	TXMHMR General Revenue-MH	4	217 - Inn Program	\$1,276,224
72130	TXMHMR General Revenue-MH	5	103 - Director of MH Services	\$720,012
72130	TXMHMR General Revenue-MH	6	190 - Authority Revenue	\$634,788
72130	TXMHMR General Revenue-MH	7	430 - Pharmacy - MH	\$634,788
72130	TXMHMR General Revenue-MH	8	271 - ACT Team	\$556,080
72130	TXMHMR General Revenue-MH	9	198 - AMH Administration	\$516,288
72130	TXMHMR General Revenue-MH	10	260 - Mobile Crisis Outreach Team	\$321,756
72130	TXMHMR General Revenue-MH	11	189 - Crisis Authority Admin	\$319,212
72130	TXMHMR General Revenue-MH	12	270 - MH PASRR	\$314,892
72130	TXMHMR General Revenue-MH	13	463 - CODC/SHAC	\$23,136

This is a sampling of how the HHSC General Revenue has been allotted to units/cost centers.

FY27 BUDGET CONSTRUCTION - HIGH LEVEL PROCESS

- Inputs on revenue funding agreements and expenses are gathered or estimated from existing agreement or anticipated changes based on point in time information – revenue funding ups/downs, expense escalators such as market compensation, insurance changes, mileage reimbursement (IRS) or other estimated changes
- Unit/Cost Center income statements are generated in the Adaptive planning system using these inputs to estimate deficit or surplus
- Operational review of all groups, anchored in guiding principles/strategic planning priorities that further considers efficiencies/productivity, need for activities based on business or funder requirements, and changing dynamics
- Allocations of general revenue, interlocal agreements, fund raising or other resources are allocated based on required activities due to HHSC, CCBHC, LIDDA, LMHA, JCAHO or any other requirements
- After this stack ranking and allocation exercise, any remaining un- or underfunded units (if any) need to be considered for further modifications

QUESTIONS & DISCUSSION

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