

**BEXAR COUNTY BOARD OF TRUSTEES FOR
MENTAL HEALTH MENTAL RETARDATION SERVICES d/b/a
THE CENTER FOR HEALTH CARE SERVICES**

Regular Board Meeting Minutes

6800 Park Ten Blvd, Suite 200-S

San Antonio, Texas 78213

Tuesday, June 10, 2025

6:00 p.m.

TRUSTEES PRESENT:

Daniel T. Barrett, Chairman
Polly Jackson Spencer, Ret. Judge, Vice Chair
Graciela Cigarroa, Treasurer (Virtual)
Roberta Krueger, M.D.
Sandee Marion, Ret. Judge
Travis L. Smith

TRUSTEES ABSENT:

Shari Hromas
Margaret M. Vera
Donnie Windham Whited, Secretary

STAFF PRESENT:

Jelynn LeBlanc Jamison, President/Chief Executive Officer
Frank Garza, General Counsel
Dr. Amber Pastusek, Chief Medical Officer
Robert Guevara, Chief Financial Officer
Elizabeth Ackley, Chief Employee Experience Officer
Venisa Saenz, Chief of Staff/Board Liaison
Allison Greer, VP of Governmental Relations
Adam Velez, Sr. Director of Contracts & Procurement
Randa Gipson, Director of Contracts & Procurement
Jennifer Hussey, Director of Compliance & Internal Review
Carla Riedl, Legislative Analyst
Cynthia Hinton, Executive Assistant

GUEST PRESENT:

A. Hunter Stanco, Managing Director of Morgan Stanley
Jason Hyde, Garza/Gonzalez & Associates, LLC
Allysa Santiago, Davidson Troilo Ream & Garza

The regular meeting of the Bexar County Board of Trustees for Mental Health Mental Retardation Services d/b/a The Center for Health Care Services was held on Tuesday, June 10, 2025, at the Administrative Offices located at 6800 Park Ten Blvd, Suite 200, San Antonio, Texas 78213.

CALL MEETING TO ORDER

CERTIFICATION OF QUORUM

Mr. Barrett called the meeting to order at 6:05 p.m., with the following trustees present: Mses. Cigarroa, Krueger, Marion, Spencer, and Mr. Smith thereby establishing a quorum.

PLEDGE OF ALLEGIANCE – Led by Mr. Barrett
CITIZENS TO BE HEARD – None to be heard.

I. APPROVAL OF MINUTES – Regular Board Meeting, April 8, 2025

Mr. Barrett asked for a motion to approve the Minutes of the April 8, 2025, Regular Board Meeting, which were presented for review and approval. Judge Marion so moved for approval as presented; Dr. Krueger seconded the motion. Motion carried.

II. BOARD CHAIRMAN REPORT – Daniel Barrett

Mr. Barrett deferred his report.

III. PRESIDENT/CEO REPORT

- **Leadership Briefing – Jelynn LeBlanc Jamison**

Ms. Jamison stated she would defer her comments to when they talk about the Budget Assumptions. She did mention that the Center was recently granted a grant from the City of San Antonio, an Incumbent Worker Grant for 2025 in the amount of \$100,000. It is from their Ready to Work Program and will give the Center an opportunity to work with Center incumbents (staff) who have determined there is a certification or additional training that they can obtain, and assistance can be provided up to \$5000 a person. An internal Advisory Committee is now being set up to manage that program and choose those individuals.

- **Contracts executed by the President/CEO over \$50,000 and under \$100,000 for the months of April 2025 and May 2025 – Jelynn LeBlanc Jamison**

Ms. Jamison stated there were no contracts to report over \$50,000 and under \$100,000 for April and May 2025.

- **Chief Medical Officer Report – Dr. Pastusek**

Dr. Pastusek highlighted some of the great work that is being done here at the Center. She spoke about an individual who self-presented for Center services in February 2025. He was enrolled into services with the Nurse Practitioner and got his medication treatment started right away. He was then referred to the Care Team and was treated for high blood pressure. He then engaged with the Peer Team, and they got the person into group sessions every week. They helped the person set goals for himself, including employment and try to reunite with his son and he proceeded to meet those goals. He even served as a role model for some of the other group members. Dr. Pastusek stated there has been tremendous growth with the Peer Team, now up to thirty-six positions and is still growing. The plan is to expand into the substance use realm over this next fiscal year. Peer Supports are people with lived experience. They do get certified, their focus is more on recovery and wellness, and help patients advocate for themselves. Dr. Pastusek asked Ms. Graber if she wanted to add anything. Ms. Graber said the Center has given Peers a warm welcome and the successes coming out of the program is huge. She appreciates the opportunity the Center is giving people in recovery to get back in such a meaningful way.

Dr. Pastusek stated she has been looking at the quality landscape and where to go moving forward. She looked at the steep principles which are Timeliness of Care, Safety, Efficiency,

Equity, Effectiveness, and Patient Centered Care Model. These are the core facets of Quality Care to help arrive at desired health outcomes that are consistent with professional knowledge. When she talks to the Prescriber group, she wants to know that the same care is being delivered. Evidence-based Care and Standard of Care are terms that refer to quality. Parts of quality improvement that are looked at when looking to enhance quality, and Standardization of Care is a core component of that, and then she went over each of the components:

- Enhances documentation
- System & process improvements
- Fosters collaboration & teamwork
- Consistent care & improves outcomes
- Improves patient safety
- Clinical Care Pathways

Dr. Pastusek then went over the Medical Services Quality Metrics for FY 25 which included Chart Audits, CME Learning Series, and Documentation Errors. She mentioned that Primary Care referrals have increased 27% from FY 24 to FY 25 and Medication Errors have decreased 32% from FY 24 to FY 25.

IV. CONSENT AGENDA

1. Review/Approve Acceptance of the CY 2025 First Quarter Performance Report of the Center's 401(a) and 457(b) Accounts from Morgan Stanley – *Hunter Stanco*
2. Review/Approve Authority for the President/CEO to Negotiate and Execute a Contract with Dr. Thomas M. Brown for the Provision of Psychiatric Services – *Adam Velez*
3. Review/Approve Authority for the President/CEO to Negotiate/Execute a Contract with Dell Technologies for the Purchase of Servers/Provision of Customer Support Services – *Adam Velez*
4. Review/Approve authority for the President/CEO to Negotiate and Execute a Contract with Gallup, Inc. for the Provision of Employee Experience Products and Services – *Adam Velez*
Judge Marion & Judge Spencer had questions regarding this item to which Ms. Jamison and Ms. Ackley replied. Ms. Jamison stated that maybe at the next Leadership Briefing to the Board, she could share the report that was received for this year from Gallup so they can see the demographics, the tenure the breakout of all the employees, and how the Center is performing in services. Overall retention has improved and is trending to be at about to reduce the turnover rate to 27% from the high 30s.
5. Review/Approve Authority for the President/CEO to Negotiate and Execute Lease Agreements for Center Operations – *Adam Velez*
6. Review/Approve The Center for Health Care Services Quality Management Plan for FY 2026–2027 – *Jennifer Hussey*

Mr. Barrett asked for a motion to approve the items under Consent. Mr. Smith so moved; Judge Spencer seconded. Motion carried.

V. INDIVIDUAL ITEMS FOR REPORT, DISCUSSION & APPROPRIATE ACTION

1. Discussion/Approval of Resolution ratifying the submission for application to the Texas Comptroller for allocating of funds for Funding from the Community-Based Opioid Recovery Efforts (CORE) Program for the implementation of the Connections to Care (C2C) Program and authorizing

the President/CEO to execute all documents necessary on behalf of CHCS – *Jelynn LeBlanc Jamison*

Ms. Jamison stated she is asking the Board to ratify the Center's submission for the CORE Grant. The grant asks for a LCDC to work with Center consumers in the Substance Use Programs. A requirement of the grant is to have the Board ratify the submittal. She does not know yet whether the Center will receive the grant.

Mr. Barrett asked for a motion to accept this item. Judge Spencer so moved; Judge Marion seconded. Motion carried.

2. Review/Approve the Center's Financial Statements for the period ending February 28, 2025, and March 31, 2025 – *Robert Guevara*

a) February 2025 Financials (covers first 6 months of the FY)

- Operating gain of \$986,898, which includes \$1.3 million in Charity Care, bringing the Net year to date to (\$58,826), which includes \$6.9 million in Charity Care that we will be able to recognize at the end of the FY. Through February the Center is right about break even
- Monthly personnel costs were (\$930,712) below January expenses. February had three less days of payroll.
- DPP/Charity Care recognition YTD \$9,382,958 – Approximately (\$6,911,192) below the budget year to date.
- Fund Balance Composition – Cash \$7,661,674, A/R \$20,283,849 year to date.
- Fund Balance is \$12.3 million.
- Investments in Tex Pool decreased by (\$4.7 million) in the current month.
- Interest earned for the month was \$36,776, and with all funds recognized sitting at a negative profit margin of 10.9%. The Center has 27 days of operation without further funding.
- Cash Flow – Beginning Balance \$14 million, In Flows \$5 million, Out Flows \$9.8 million, Ending Balance \$9.1 million.

b) March 2025 Financials

- Operating loss of (\$200,748) with recognizing \$1.1 million in Charity Care, Year to date, sitting at (\$279,575), recognizing \$8 million in Charity Care for the FY.
- Monthly personnel costs were \$259,734 above February expenses. March had one additional payroll day.
- DPP/Charity Care recognition YTD \$10,948,541 – Approximately (\$8,061,301) below the budget year to date.
- Fund Balance Composition – Cash \$14,157,802, A/R \$19,203,349.
- Fund Balance is \$11 million
- Investments in Tex Pool increased \$5,355,471 in the current month.
- Interest earned for the month was \$55,470
- With all the funds recognized CHCS is sitting at a negative 11% profit margin and with 25 days of operations currently.
- Cash Flow – Beginning Balance \$9.1 million, In Flows \$17.4 million, Out Flows \$12.1 million, Ending Balance \$14.5 million.

Mr. Guevara stated there are two initiatives happening within the organization. It is called The

Great Engagement where we are trying to re-engage consumers and tighten the caseloads so that when the budget is brought forward to the Board, we can tell you based on our caseloads that this is the staffing pattern needed. It is great work, but all that activity is not billable, and will impact revenue dollars and productivity. The other thing the Center is going through are appointment reconciliations, and those appointments must be reconciled to know what happened to them. All those activities are non-billable, so in addition there will be an impact on this revenue. The other piece of this is HR133, the COVID dollars, this is the month that they will expire, and we were able to recognize the last of those dollars this month. From here on out, there will be losses seen in the coming months. We have heard they are continuing some of those programs but have not seen actual contracts for them. Therefore, they are not included in the Center's forecast. Questions and discussion ensued.

Mr. Barrett asked for a motion to accept the February 2025 and March 2025 Financial Statements. Judge Spencer so moved; Judge Marion seconded. Motion carried.

3. Review/Approve the Center's Financial Audit Report for Fiscal Year 2024 Independent Audit conducted by Garza/Gonzales & Associates, LLC – *Jason Hyde*

Mr. Hyde presented the August 31, 2024, Financial Statements and the Audit Communication Letter which are included in the Audit Summary. They are rendering an unmodified opinion again. It is a cleaner opinion, and the best opinion one can get. It means the Financial Statements were materially correct and fairly presented in all material respects. They do sampling and don't audit 100%, which is where that statement comes from. These statements also include the CHCS Foundation as of December 31, 2023, and because the Foundation has a different year end it is older than the Center's year end. The Pension Plan is also presented as of December 31, 2023. This was presented to the Finance Committee previously and the report was accepted. There are two other opinions included, one has to do with Internal Control over financial reporting and compliance in accordance with Government Auditing Centers. The second opinion has to do with the federal and state compliance in accordance with the Uniform Guidance, and the Texas Grant Management Centers. He reported that in both those cases they are not reporting any material weaknesses or significant deficiencies and there are no questioned costs. If they had found any significant deficiencies, then those would be included in the large report.

The major programs they tested this year for federal and state, the Center was a low risk connate, so they had to test 20% for each of those federal and state. The major and federal state programs that are listed are the Block Grant for Substance Abuse, the Special Ed Grant that goes along with Early Childhood Intervention that are audited together, ARPA Funds Covid State and Local Recovery Funds from the City of San Antonio, and 93.243 from SAMHSA. They also audited the General Revenue Program as required from the State. He then went over the Financials and stated this was a good year.

Mr. Hyde reported that in the separate communication letter, Garza/Gonzales didn't have any difficulties in performing the audit, they did their samples, and staff provided everything that was requested. They proposed a couple of audit adjustments, and there were no disagreements from management. There was a recommendation related to the Center's Revenue Reconciliation at year-end which was related to the EHR and billing issues. Staff adopted that adjustment to accrue more revenue. There was an issue last year related to Bexar County and the Paul Elizondo Clinic with

the County. Garza/Gonzales knew there were some differences between what the County was showing and what the Center was showing as far as who somebody owes somebody else something. The County did engage a third party to look at the whole thing, an independent review, and he has not heard of any update and knows it is still unresolved at this point. Garza/Gonzales did remove it from their letter because they thought it was sufficiently being handled and were informed about that.

Mr. Guevara said our note disclosure states that the Center feels that obligation has been met. Ms. Jamison stated she hadn't seen anything to think any more about it. In the County's external audit, they were carrying a liability of \$5 million and noticed in their FY 2024 audit and noted that liability was reduced to \$2.9 million but the Center has not received any basis for that reduction. It is moving in the right direction. She did reference that note in the email that she sent an appeal to the Commissioners saying that it is still believed it should be zero, maybe that will be seen in FY 2025, and there has been no response to this date. Questions and discussion ensued.

Mr. Barrett asked for a motion to approve the Center's Financial Audit Report for FY 2024. Mr. Smith so moved; Judge Marion seconded. Motion carried.

4. Review/Approve the Budget Assumptions, CEO Goals and Center Wide Targets for Fiscal Year 2026
– Robert Guevara, Jelynn LeBlanc Jamison

Ms. Jamison shared with the full Board the Budget Assumptions that were previously shared with the Finance Committee. She said comments were received from the Finance Committee Members which will be incorporated into the final proposed budget at the August 12, 2025, Board Meeting. She wanted to get the rest of the Board Members' feedback as the budget planning process was initiated last week and will conclude by the end of June as the budget is pulled together and prepared for the July Finance Committee Meeting. Reminding the Board of the Center's Business Model, the Center is focused on seeing consumers, documenting quality documentation, and timely reporting so that billing is done timely for the services provided to the consumers for their treatment. She reported that the maturity of this organization has been growing for several years, starting with the safety program, standing up the compliance program of both internal and external reviews, focusing on persons centered treatment, and continuing to focus on quality documentation. The Board will see in this proposed budget some organizational changes that continue to support all those initiatives so that we can continue to support best practices for the Center.

Ms. Jamison then went over the FY 25 Year End Financial Projections.

- Estimated FY 2025 Current Operating Revenue – \$125.7 million
Additional Charity Care Recognition – \$10.9 million
Directed Payment Program Recoupment – (\$1.1 million) forecasted
HR 133 (COVID) Revenue – (\$1.4 million)
- Total Additional FY 2025 Revenue – \$8.3 million
- Total Projected FY 2025 Revenue – \$134.1 million
- Estimated FY 2025 Current Operating Expense – \$139 million
- Estimated Operating Loss – (\$4.9 million)

The last quarter started June 1 and will be working to shore that up as they forecast the end of the

fiscal year and prepare to bring to the Board the proposed budget for FY 2026.

Ms. Jamison noted that some of the Fastest Growing Investments were shared with the Finance Committee as a result of the Board approval of the budget for FY 2025.

1. Crisis Response Services continues to be fast growing for the Center.
 - PES/PPBs: 5551 total transfers; 3284 to PPB and 2267 to PES beds
 - Program for Intensive Care Coordination (PICC): 130 active clients; over half have been in service for 1+ years
 - SMART & SA-CORE MDRTs: fielded over 5500 combined total calls; nearly 1800 resolved on scene
2. Peers Services – Since FY 2023, Peers have grown from 14 to 34 and are embedded in every Center Business Unit. Peers are consistently providing more than 1000 hours of peer services a month. The Center has trained and certified Peers compared to the 3 in FY 2023 and as a Certified Peer, the Center can then bill for those services.
3. Training – In March 2022, the Employee Experience (EE) Initiative was kicked off. This program consists of 6 projects which focused on what the Center could do to improve EE, which are: revamped New Employee Orientation, Onboarding, ongoing Development, reducing Retention, enhancing Engagement, and new Core Values.
4. Leadership Symposiums will be in concert with the Texas Council Risk Management Fund who will be providing actual training to supervisors, which will begin July 28 on how to be a better leader at the Center.

Ms. Jamison went over the CEO Goals – she stated every year she presents the CEO Goals along with the annual budget proposal to the Board. From there the goals cascade throughout the Center to the respective areas of their respective discipline. She went over the Performance Goals which consist of Center-wide, Individual, and Core Values, and the Center Wide Goals which consist of Training, Wellness, and Phishing. No changes are recommended for the allocation of the Performance Goals for next fiscal year. She went over the Goals & Targets of Safety Metrics, Fiscal Metrics, Scheduling & Appointments Metric, Productivity, and Services Completed Metrics. Those are the proposed targets for Center Wide Metrics. It was recommended for the CEO that she add some additional goals having to do with Board Relations and Community Relations. She will bring those back when the budget is brought back to the Board for their review and consideration.

She proceeded to go over the Program Changes for Primary Care LOC 1 Integration, ABH Integration, IDD ISS/DAHS, and Enrollment & Screening/Same Day Next Day.

She mentioned that under Program Changes they undertook looking at Primary Care utilization. They have been working for several months and had expected to go live in June with a process change that would support the increase in individuals assessed at a level of care 1 being able to be seen by the Primary Care Team. This was an initiative to try to increase the caseloads for Primary Care and have those with lesser acuity be seen by our Primary Care Team, thereby increasing the opportunity for those with higher acuity with the Adult Behavioral Health Physicians and teams. There has been an increase in referrals of primary care and by the end of the fiscal year they will have all the other aspects of the integration of referring the level of care 1 patients to primary care in place. They can expect to see a target around that next fiscal year.

ABH implemented the Integration and Enhancement initiative to have all clinical staff provide and

increase housing and employment services. The goal is to improve Service Provision, Employment Functioning, and Residential Stability. These are the three areas in the Center's performance metrics from HHSC where we have consistently reported to the Board that the targets have not been met. The specialty trained Care Managers have been retrained for all skill building and now the caseloads are more balanced among the staff members across the ABH Business Unit, and to ensure service provision to consumers. By doing this, there have been improvements in Service Provision, Employment Functioning, and Residential Stability and she expects this to continue going forward.

In FY 2025 CHCS implemented the new Individualized Skills and Socialization (ISS) which is a required service within the HCS & TXHML waivers for the IDD ISS/DAHS consumers. Going forward in this legislative session Texas Council and the rest of the LMHA community continue to have as a priority, asking the legislature to increase the reimbursement rates for direct service personnel. In addition, the Center has added an initiative working with the legislature to allow the Center more flexibility with our Group Homes. The five Group Homes that the Center has operated for years were deeded to CHCS and as long as they are full the deed stays with CHCS. We have successfully transitioned almost all the consumers that were living in our Group Homes to Host Families. We have one home that is still occupied and that is Linkside location, but the rest of these consumers have successfully transitioned to Host Family Homes. We asked the legislature to pass a statute that would revert those homes to CHCS permanently which did not go anywhere. The homes are vacant, and we think we will hear from HHSC on the new FY, and they will take control of the homes currently vacant. AACOG has an interest in one of the homes on Eisenhower that is the largest home and allows up to 10 and they would like to use it for crisis respite services. We will be discussing with AACOG and HHSC whether they want the Center to negotiate that arrangement with AACOG or whether HHSC will handle that. The reimbursement rate that has been approved by the legislature is currently \$10.60 and they increased it to \$13.00, which will still cause these programs to run at a loss. The Center is evaluating what the options are. Our ISS program functions out of the Drexel location and that is one of the locations we have designated as surplus, and our census is around ten for that program. We are evaluating our options, talking with the community, with the providers that provide ISS and DAHS services, and we will come back with a recommendation to the board on how to best serve our consumers with these two programs and what we are recommending doing with the group homes. Linkside is still occupied, and we are making improvements to the kitchen which should be completed by the end of the month of June. Questions ensued.

The Center has made significant changes in Enrollment and Screening. With the CCBHC certification the Center has to screen with the new rules for Social Determinants of Health. In addition, the Enrollment staff have been asked to screen those consumers that are assessed at a level of care 1 and make a referral to primary care. There are other improvements Enrollment staff has been asked to do, and we are working with an MTM Consultant to:

- Evaluate overall enrollment flow
- Maximize process design
- Communicate with other LMHAs on their processes
- Assess community need vs staffing rations

Ms. Jamison stated the Center continues to make improvements here and is proposing the Board will see some investment in the enrollment area for next year's fiscal year budget to ensure the requirements can be met of CCBHC and the Waiver and still maintain Same Day Next Day enrollment philosophy for the Center.

She stated that the Center has not yet received a date from HHSC to negotiate substance use funding, so this year all LMHAs are to submit proposals to HHSC for all their substance use funding regardless of the source.

Mr. Guevara reported on the Budget Planning Assumptions for FY 26.

- Direct Payment (DPP) and Charity Care (CCP) Programs – DPP revenue is estimated at \$3.7 million; CCP revenue is estimated at \$28 million. The only caveat to that is the dollar does not increase, however, the number of providers participating increases, which could have an impact on the overall revenue.
- General Revenue – is estimated to stay at \$30 million, and any increase will also require a 9% local match that is currently provided by University Health.
- Current Senate Bill (SB) 292 estimated funding at \$4.5 million and Private Psychiatric Beds (PPB) at \$16 million. The Center will continue to work with local hospital partners to procure psychiatric beds for our community in alignment with current budgeted funds.
- Patient Service Revenue – Target is to recognize \$18.6 million and are on track to recognize \$15.6 million.

He continued to go over the Local Assumptions, Expense Assumptions, and the Grant Funds. He stated that it is understood that Rider 52 Funding will be added to the HHSC Performance Contract, however it is still unknown. He said that a lot of these grants, while they were authorized in their current fiscal year, will continue into fiscal year 2026. As Ms. Jamison mentioned the Center has not heard back regarding substance use funding and as a requirement to be a CCBHC we are required to provide substance use services. He does not know how they will reconcile that. In the event of the worst-case scenario, we're looking at a little over \$7 million and about 85 individuals that will be impacted if the funding does not come through. Regarding Haven for Hope, he has heard that the Center will stay in the same spot there with no increase in rent, and the entire Haven staff that is still on board is supportive of that. Questions were asked. Ms. Jamison stated CHCS staff will stay in the same location except for the Resource Center where ITP is located. CHCS consumers will be moving to the main campus in one of the buildings. The specialized Care Managers have been moved to CHCS Outpatient locations. Haven did get some space back.

Ms. Jamison went over the FY 2026 Potential Budget Investments:

- IT optimization for the Electronic Health Record (EHR), Revenue Cycle Billing Process, Same Day Next Day, Centralized Scheduling, and State Reporting. It has been determined that to make our EHR optimal it requires a separate Consultant to write scripts and provide the functionality that is needed in the EHR. CHCS Attorney is looking at that contract to see what options there are to make sure that CHCS has received the performance level purchased.
- AI Investments – Clinical workforce (this closed system would be designed to support not supplant clinical documentation by staff), and Revenue Cycle Management (this closed system would support perfecting claims and enhancing accounts receivables).
- Enhancement to Provider Enrollment to reduce/eliminate write-offs

- Continue to invest in Peer Support for better outcomes
- Learning and Development consolidation – will continue to enhance this area.
- Deployment enhancement for Crisis Response Teams – have been talking with Bexar County with the Sheriff on this and it could be a technology enhancement or some work that CHCS does at the 911 Call Center with the Sheriff.
- Based on Legislative action CHS may recommend program options for IDD – may bring a proposal regarding the Day Hab and DAHS Programs for CHCS IDD population and/or may bring a proposal negotiated with HHSC about the future use of the real estate that CHCS currently manages on their behalf.
- Master Facilities Plan – Children’s Services and IDD – will bring an overall update to the Plan.

Ms. Jamison stated the Next Steps are that there were ongoing budget meetings in May and June and will continue in June; and the Finance Committee will review the proposed budget for FY 26 at their meeting in July which will then be presented at the August 12 Board Meeting for review and approval.

Ms. Jamison stated that in the presentation of the Audit CHCS had to ask for an extension to present that audit trying to wait for this Bexar County issue to be resolved. Now that the Board has approved the audit then CHCS will be submitting the audit to the State and hopefully won’t have to ask for that extension going forward.

V. INFORMATIONAL ITEMS – Legislative Update – Allison Greer

Ms. Greer reported that the Legislature meets 140 days every other year, and at the end of the 140-day session, the House and Senate get together to work out their differences in a Conference Committee and then send the bills to the Governor. The Governor has not signed the Budget Bill yet and we are waiting for the Comptroller to certify that the amount of money the legislature appropriated is acceptable. Awaiting the Governor’s signature for House Bill (HB) 1. The Legislature has appropriated almost \$93 million for Bed Capacity and details from HHSC have not been released yet. Legislature also appropriated \$40 million for the Youth Mobile Crisis Outreach Teams (YCOT), there will be at least 8 new teams of which the Center may get one. Ms. Greer continued going over the 89R Budget Highlights. She gave a quick review of the \$338 billion Texas Budget for FY 26-27. The highest amount is spent on Education at 39.8%, second is Health & Human Services at 31.3%, followed by Business & Economic Development at 14.3%, and 6% for Public Safety & Criminal Justice. The Governor is signing bills, has signed 369 bills, and has until June 22 to sign the bills, veto it, or leave it alone and let it become law.

Ms. Greer went over some of the significant bills that were priorities of CHCS.

- The Committee substitute for HB 879 is a workforce bill that would establish a process for veterans who have been trained as physicians and nurses to receive licensing quicker to provide health care and will become effective on September 1, 2025.
- HB 2081 – this would establish the Building Better Futures Program. It is an occupational training program for students in higher education to equip them with entering life after graduation from college.
- SB 769 by Senator Menendez – this would require the Texas higher education coordinating board to issue a report on the enrollment and success of students with IDD and higher education

and will be effective September 1, 2025.

- SB 897 by Senator Blanco and Rey Lopez – this bill lowers the match based on population for grant programs that assist veterans and their families.
- Committee substitute for SB 2420 by Angela Paxton – this requires App Stores to use age verification for whatever is commercially reasonable. There is a lot of talk about limiting social media for children, limiting the apps they can download. This one is expected to be in litigation, but if that does not happen, then it will be effective January 1, 2026.

Ms. Riedl went over some of the bills sent to the Governor:

- SB 1580 requires an LMHA to include a veteran selected by the governing body members.
- HB 5342 establishes a dedicated 988 Suicide & Crisis Lifeline Trust Fund and supports youth-specific mobile crisis outreach teams.
- SB 1401 – directs the pipeline program. A participating 4-year institution will provide clear, guided pathways for public junior college students to pursue the degrees required to be licensed as mental health professionals.
- SB 646 – adds mental health professionals to the loan repayment program and increases the amount of loan repayment for eligible professionals.

Ms. Greer reported that San Antonio has a new Mayor and three new Council Members. Meetings have been set up with them to give briefings about the Center. She also stated that once the Governor signs the Budget Bill, there will be a little more certainty about what the Center's general revenue will look like and will probably be looking at some competitive procurements for YCOT and Private Psychiatric Beds (PPBs).

Mr. Garza stated that he will give his report and then they will have to go back to Item 4 because a motion was not made to accept the Budget Assumptions.

Mr. Garza went over the following Bills:

- SB 1580 – If the Governor signs SB 1580 then this Board as appointed members will be able to appoint a veteran to serve on the Board, and that member will be a full-fledged voting member. The Board would have to make the appointment by December 1, 2025. If signed, the Bill becomes effective September 1, 2025.
- HB 1522 – requires the posting of an agenda to be 3 business days before the meeting instead of 72 hours before the meeting. The effective date of the bill is September 1, 2025.
- HB 4129 – this bill relates to a governmental body's response to a request for public information. If the CHCS determines it has no information responsive to a request for information, then CHCS shall notify the requestor in writing no later than the 10th business day after the date of the request. This bill is effective for any open records request received on or after September 1, 2025.
- SB 1173 – this bill increases the monetary threshold at which governmental entities, governing bodies, and other political subdivisions must use the competitive procurement method from \$50,000 to \$100,000. It relates to the amount of expenditure made by CHCS, for which a competitive procurement method may be required. This bill applies to procurements on and after September 1, 2025.
- HB 150 – this bill requires every elected or appointed official and employee of any political subdivision of the state to take annual cyber security training if they have any access to CHCS IT which includes just opening an email from CHCS. The Texas Cyber Command (TCC) shall certify

at least 5 cybersecurity training programs for local governments and officials. This bill becomes effective September 1, 2025.

- SB 1964 – if artificial intelligence (AI) is used in any way by local governments they will now have to comply with the Department of Information Resources code of ethics. This bill will become effective September 1, 2025. Ms. Jamison mentioned that the AI that was talked about in the budget earlier, those will be closed systems such as for clinical documentation. The systems CHCS will be purchasing will be specifically developed and we will identify the information it will pull from. Mr. Garza said if it is a closed system then his interpretation is that this bill would not have any effect on the Center.

At this time Mr. Barrett referred to Item 4 and asked for a motion to approve the Budget Assumptions, CEO Goals, and Center Wide Targets for FY 2026. Judge Spencer so moved; and Judge Marion seconded.

VI. EXECUTIVE SESSION (DISCUSSION ONLY: CLOSED TO THE PUBLIC) PURSUANT TO CHAPTER 551, TEXAS GOVERNMENT CODE: 551.071 (Consultation with General Counsel)

Mr. Barrett called the meeting into closed session at 8:17 p.m.

Discussion regarding outstanding legal issues with Bexar County contract and audit

VII. RECONVENE OPEN SESSION

The meeting was reconvened into Open Session at 8:52 p.m. The Board gave direction to come up with options on how to proceed with the Bexar County Contract. Judge Marion made a motion to direct staff to get a copy of the ATKG Audit from Bexar County. Dr. Krueger seconded. Motion carried.

VIII. REPORTS

1. TEXAS COUNCIL OF COMMUNITY MHMR CENTERS INC. BOARD – *Daniel T. Barrett*

Mr. Barrett reported that the Board talked about all they had asked from the Legislature. There will be a report coming out.

2. TEXAS COUNCIL RISK MANAGEMENT FUND BOARD (TCRMF) – *Robert Guevara*

Mr. Guevara stated the TCRMF Board is going to set aside \$2.7 million for an increase in insurance. The majority of that can be related to property, more so because the values of properties have gone up, and hopeful that the \$2.7 million will mean zero changes to the LMHAs. Mr. Barrett asked about the Fund Balance. Mr. Guevara replied \$1.3 million for the month and \$32 million year to date.

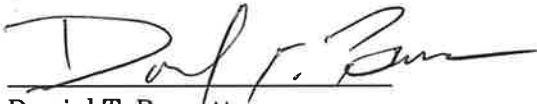
3. TEJAS HEALTH MANAGEMENT BOARD – *Robert Guevara*


Mr. Guevara reported the Tejas Board Meeting talked about trying to get another MCO on board to pay for value-based programming since they no longer have the Superior Contract. Tejas is doing well and has 18 months of operations. The big focus for this fiscal year will be Cyber Security in conjunction with the Texas Council Board.

IX. ADJOURNMENT

Mr. Barrett reminded the Board of the upcoming Texas Council Conference to be held from June 25 – 27 in Dallas, Texas. There being no further business, Mr. Barrett asked for a motion to adjourn the meeting. Judge Spencer so moved; Judge Marion seconded. Mr. Barrett adjourned the meeting at 8:58 p.m.

Passed and approved this 19th day of August, 2025.


Daniel T. Barrett
Board Chairman


Cynthia Hinton
Executive Assistant