



COLLIN COUNTY

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TO: Collin County Health Care Board of Trustees
FROM: Candy Blair, Public Health Director
DATE: May 12, 2025
RE: Renewal Application for Texas Department of Health Services (DSHS)
FY 2026 Hazards/Public Health Emergency Preparedness (PHEP) Grant
Contract Number: HHS001439500005

Attached is the Fiscal Year (FY) 2026 Public Health Emergency Preparedness (PHEP) renewal grant application. This application covers one year from July 1, 2025, to June 30, 2026, with level funding set at \$562,786. These funds are essential for supporting Collin County's PHEP activities, which include a required county match of \$56,278 that existing salaries and benefits will cover. Since 2002, Collin County has primarily utilized the PHEP grant for staff salaries, enabling the county to maintain critical infrastructure.

Collin County requires a 10% de minimis indirect cost rate to be applied to all grants. Health Care Services was informed of this new policy in March after the routine grant renewal paperwork had already been submitted to the Texas Department of State Health Services (DSHS) in January. New grant applications and indirect cost documentation were resubmitted to DSHS in March 2025 to comply with this requirement. DSHS accepted the new indirect cost budget for the FY26 CRI grant but rejected the FY26 PHEP grant indirect cost budget due to insufficient time for processing by the DSHS Legal Department. DSHS has notified Collin County that an amendment to the FY26 PHEP grant may be requested once the contract becomes effective (July 1, 2025) to add the indirect costs. Health Care will submit this amendment as soon as it becomes eligible.

The CRI and PHEP grants are interrelated, and the approval of one budget with indirect costs and another without indirect costs has resulted in a mismatch of funding strategies and differing requests. Historically, the PHEP grant has been used almost exclusively for the salaries and fringe benefits of critical core public health positions for more than 20 years. In FY25, the PHEP grant allocated 97% of its funds toward salary and fringe benefits. With the implementation of a 10% indirect cost rate, there is now insufficient funding for long-term employees.

Eight positions have been historically funded with a combination of the CRI grant, the PHEP grant, and Collin County funding. In grant fiscal year FY26, these two grants will pay for \$696,217 (\$133,431 on CRI and \$562,786 on PHEP) and Collin County will be responsible for \$453,682 (\$20,602 associated with CRI and \$433,080 associated with PHEP) for these positions. With the FY25 grant renewal, Collin County approved the use of \$351,691 in Collin County funds for these eight positions. Therefore, in FY26, there is a \$101,991 shortfall in funding to

maintain these long-term positions due to the addition of indirect costs and routine increases in staff salary and fringe benefits while grant funding remains level.

To address this situation, Health Care Services has developed the following action plan, which has been thoroughly reviewed by Collin County Administration, the Auditor's Office, Budget, and Human Resources:

1. Health Care Services will apply to DSHS to amend the FY26 PHEP grant to incorporate a 10% indirect cost rate and realign staff funding percentages as soon as eligible (July 1, 2025). This amendment is expected to be executed in approximately August 2025.
2. In the interim, to maintain the eight long-term staff partially- or fully-funded on the FY26 CRI and PHEP grants, \$6,368.00 in previously unbudgeted funds will be required from Collin County for salaries and fringe benefits in July and August 2025. Health Care Services' existing FY25 budget can support this expense due to several vacancies in FY25. These funds will be transferred from the Health Care Admin budget (60001) to the Bioterrorism budget (58001). These funds will be allocated to:
 - a. Health Care Analyst – Position ID: 200796
 - b. PHEP Planner – Position ID: 200243
3. Collin County will not incur any additional unbudgeted expenses once the FY26 PHEP grant budget amendment is executed, which is anticipated in approximately August 2025.
4. One position historically funded by the PHEP grant will face funding shortfalls beginning in November 2025. A separate request for funding for this position has been included in Health Care Services' FY26 budget, which the Collin County Commissioners Court will review during the regular budget process. If the FY26 budget request is not approved, the position will be laid off once available grant funding is exhausted (fall 2025).

The current FY26 PHEP budget, excluding indirect costs, will fund 3.85 Full-Time Equivalents (FTEs) for the following positions: 200052 (5%), 201287 (5%), 200795 (5%), 200796 (70%), 00300288 (100%), 200093 (100%), and 00300177 (100%). The percentages indicate the portion of each employee's time funded by the grant, with the remaining funding provided by Collin County.

The PHEP grant is crucial to prepare for public health threats and aligns with the Centers for Disease Control and Prevention's (CDC) public health capabilities. This includes epidemiology, disease investigation services, and emergency preparedness and response activities in collaboration with local stakeholders such as fire departments, EMS, police departments, cities, schools, universities, private businesses, and faith-based organizations. Collin County Health Care Services will utilize PHEP grant funds to cover salaries for current staff and other essential program costs. This budget encompasses critical items such as cell phone service plans, training, and office supplies. For expenses not allowable under the grant, Health Care Services' existing budget has traditionally covered these minimal costs, and no additional funds are needed. Since these positions are permanent, related electronic devices have historically been included in the department's IT replacement plan.

I respectfully request your approval for this grant renewal application to ensure the continuation of these critical services and essential positions.

CB/tb