



## 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 State Health Services (DSHS) FY 2026 Cities Readiness Initiative (CRI) grant Contract Number: HHS001439300001

The Fiscal Year (FY) 2026 Cities Readiness Initiative (CRI) grant application is attached. This one-year grant period will run from July 1, 2025 to June 30, 2026, with a total funding amount of \$133,431. Following a temporary increase in funding in FY24 and FY25, the funding level will revert to historical amounts. Collin County will provide a matching amount of \$13,343, covered by existing staff salaries and volunteer hours from the Medical Reserve Corps (MRC). Since 2002, the CRI grant has primarily funded staff salaries to support critical infrastructure within the health department.

Collin County requires a 10% de minimis indirect cost rate to apply to all grants. Health Care Services was informed of this new policy in March after the routine grant renewal paperwork was submitted to the Department of State Health Services (DSHS). New grant applications and the indirect cost documentation were submitted to DSHS in March 2025 to comply with this requirement. DSHS accepted the new indirect costs budget for the FY26 CRI grant but rejected the FY26 Public Health Emergency Preparedness (PHEP) grant indirect cost budget due to insufficient time for processing through 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. For over twenty years, the CRI grant has been used almost exclusively for salary and fringe benefits for critical core public health positions. With the addition 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.

In light of 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 include 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 of previously unbudgeted funds will be needed 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 additional unbudgeted expenses once the FY26 PHEP grant budget amendment is executed, expected in approximately August 2025.
4. One position historically funded by the PHEP grant will face funding shortfalls beginning in November 2025 due to the addition of indirect costs. An independent 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).

For FY26, the CRI grant will fund 0.85 Full-Time Equivalent (FTE) for the PHEP Planner, Position ID 200243. The percentage reflects the portion of the employee's time supported by the grant, with the remaining funding provided by Collin County.

The CRI grant is crucial to prepare for public health threats and aligns with the Centers for Disease Control and Prevention (CDC) public health capabilities. This includes emergency preparedness and response activities involving 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 CRI grant funds to cover the salary and fringe benefits for one current staff member and other essential program costs. This budget will cover critical items like cell phone service plans, training, and office supplies. For department-required items that are not allowable expenses on the grant, Health Care Services' existing budget has traditionally covered these minimal expenses, and no additional funds are needed. As this position is permanent, related electronic devices have historically been included in the department's IT replacement plan.

I respectfully request your approval to renew this grant application to support this essential position.

CB/tb