



# Policy Trends Shaping Public Health Funding and Administration in 2026



## Legislative Prospectus Series: 2026 Public Health Spotlight

### Introduction

Decades of [underinvestment](#) in the nation's public health system have impacted agencies' ability to respond to health challenges. The COVID-19 pandemic revealed the fragility of a [chronically under-resourced sector](#) tasked with responding to a global emergency. While public health has received influxes of funding through the [CARES Act](#) and [American Rescue Plan Act](#) over the last five years, both were temporary injections of funding in response to COVID-19. There have been efforts to provide longer term funding for public health improvements through the [Public Health Infrastructure Grant](#) and the [Prevention and Public Health Fund](#), but this funding faces an uncertain future: There have been multiple [reductions in federal funding](#) to the Prevention and Public Health Fund since its creation in 2010. Moreover, state public health agencies are preparing for the possibility of federal funding being reduced or cancelled.

This, coupled with [balanced budget requirements](#), is driving states to explore ways to improve their public health investments while bolstering infrastructure — focusing on health departments' core services, and ensuring access to quality public health programs at the state and local levels.



### Legislative Trends

#### Increased Funding for Public Health

In 2025, 47 states [enacted or will enact budget bills](#). While overall nationwide funding for public health in FY26 was roughly equivalent to FY25, at least half of the state health departments had some form of increased funding (e.g., Medicaid, provider reimbursement rates, and specific public health initiatives and programs). For example:

- **Behavioral Health:** Colorado [SB 25-206](#) included a \$1.6 million increase in funding to provide behavioral health services in primary care settings.
- **Certification:** Illinois [SB 2510](#) includes a \$6 million increase to support licensing, inspecting, and certifying health care facilities for compliance with state and federal regulations.
- **Maternal and Child Health:** Georgia [HB 68](#) provided a nearly \$3 million increase in funding to expand a pilot program that provides home visits in at-risk and underserved communities during pregnancy and early childhood.
- **Rural Health:** Arizona's [budget bills](#) include \$4 million to expand access to health care through the development of rural medical residency programs.
- **School-Based Health Centers:** Delaware [HB 225](#) appropriates funding to develop school-based health centers in elementary schools with more than 90% of students classified as low-income, multilingual learners, or underrepresented minorities.

As part of their FY26/FY27 budget, Connecticut established and funded a public health safeguard account through [HB 7287](#) to ensure the Department of Health can continue providing essential health services in the event of a funding shortfall.

## Improved Public Health Administration

Several states passed legislation restructuring their public health systems. Nevada enacted [SB 494](#), dividing the previous Department of Health and Human Services into two separate agencies. The bill gives the new health agency, called the Nevada Health Authority, the authority to oversee health programs (e.g., Medicaid and the Children’s Health Insurance Program), manage health care compliance and consumer health services, and develop policy that improves health care access and cost efficiency. Hawaii’s [HB 1120](#) formally gives the Department of Health the authority to prevent, address, and abate any issues that pose a threat to public health and/or environmental health, such as toxic materials, vector-borne diseases, and climate change.

More than half of U.S. state health agencies are [decentralized or largely decentralized](#), meaning many public health services are provided by city, county, or regional health departments that are separate from the state health agency. In 2025, at least two states enacted legislation enhancing local health departments’ abilities to provide core public health services:

- **Utah** [SB 172](#) requires the Department of Environmental Quality to enter into cooperative agreements with local health departments to prevent and respond to potential health and safety threats from the environment. It also establishes a governance committee of state and local health department personnel to evaluate proposed policy changes affecting local health departments and ensure allocated resources meet the minimum performance standard.
- **Washington** [HB 1946](#) modifies the membership requirements for local health boards, allowing federally recognized tribes with reservation or trust lands in the board’s jurisdiction to have members on the board. It also allows urban Indian organizations recognized by the Indian Health Service that provide services within that jurisdiction to have members.



## Looking Ahead

ASTHO anticipates states and territories will continue considering and adopting legislation to provide state funding for public health and improve public health infrastructure, including those that:

- Create contingency plans or rainy-day funds in the event of reduced federal funding.
- Establish partnerships with neighboring states to share health data.
- Promote sharing services and resources within local health departments.
- Leverage regionalization as a tool to consolidate and share scarce public health resources.
- Adapt the funding and management of public health grants to ensure efficiency.
- Improve public health data systems to promote greater efficiency.



***Learn more at [www.astho.org](http://www.astho.org)***

### Headquarters:

2461 S Clark St STE 200, Arlington, VA 22202



Association of State and Territorial Health Officials