



**Texas Legislative Budget Board Hearing
Department of State Health Services
September 13, 2010**

Texans Care for Children is a statewide nonpartisan, nonprofit advocacy organization dedicated exclusively to the children of Texas. We look to our broad base of community-based experts—our partners and 220 members throughout the state who together represent thousands of Texas children—to inform our work and help us in developing our legislative agenda. We co-convene the Texas Children’s Mental Health Forum in conjunction with the Texas Health Institute and support from the Hogg Foundation, facilitate the Infant Health Alliance, and serve on the steering committee of Partnership for a Healthy Texas: Conquering Obesity. Our areas of focus are: family economic security; infant, child and maternal health; children’s mental health; child welfare; and juvenile justice and at-risk youth.

Texas ranks at or near bottom on many indicators of child well-being, including teen birth rate,ⁱ childhood obesity,ⁱⁱ and access to mental health treatment.ⁱⁱⁱ We cannot afford to lose ground on recent advances we have realized in childhood vaccination rates and investments in community mental health. It also important to make new investments, such as in the Department of State Health Service’s requests related to infant health, jail diversion efforts for persons with mental health concerns, and obesity prevention.

Failing to invest in effective programs and services will result in increased costs to the state in spending on future services and loss of human capital. Society reaps the greatest benefits from supporting the physical and mental health of its children, as it reduces its costs in the health, education, and criminal justice system and increases the stability, productivity, and safety of its people. Failures in one system are often felt in other systems, which are usually more restrictive, costly, and less effective.

- Interventions in early childhood are the most cost-effective investment states can make in promoting healthy child development. Most of the dollar benefits of early childhood interventions are reaped by society in reduced public spending in other systems.^{iv}
- The annual costs associated with preterm births in the U.S.—medical care, early intervention services, special education services, lost household productivity—is \$51,600 per child born prematurely. In the first year alone, medical costs for a preterm infant are \$32,325 compared to \$3,325 for an infant born full-term.^v
- Children who are overweight often become overweight or obese adults.^{vi} The Texas Comptroller estimates obesity and obesity-related illnesses could cost Texas businesses \$15.8 billion in 2025.^{vii}
- Addressing young people’s behavioral health concerns in a community setting is often more effective – and cheaper – than serving them in more restrictive settings. In 2005, it cost an

average cost of \$885 to provide youth with behavioral health services in a community setting in Texas, compared to \$8,759 to provide behavioral health services in institutional or residential settings.^{viii}

- A disproportionate number of youth with mental health concerns end up in the juvenile justice system. Thirty seven percent of youth in the Texas Youth Commission have been characterized as having “serious mental health problems”.^{ix} Forty eight percent had some need for mental health treatment in 2009. The average cost to commit a youth in the Texas Youth Commission is \$96,000.^x
- In 2008, nearly 300 children entered substitute care within the Department of Family and Protective Services due to parental refusal to accept responsibility for care due to the child’s emotional problems. Parents relinquished care of 80 children due to children’s drug and alcohol use during the same year.^{xi}
- Severe mental health and substance abuse costs Texas businesses about \$270 billion in lost spending each year and more than 1.6 million permanent jobs; spending related to mental illness and substance abuse and lost tax dollars cost the State about \$13 billion annually.^{xii}

Before making any cuts to vital services, Texas needs a balanced approach to balancing the state budget. Knowing that the Legislature will face a deficit in the FY 2012-2013 budget, Texans Care for Children is working with other human service organizations to support a budget strategy that balances cuts that with revenue measures - revenue measures that are balanced, adequate, and fair. We urge the Legislative Budget Board to identify all reasonable options for bringing state revenue into alignment with Texans' current and future needs. Here are three ways to meet today's needs in Texas and prepare for a better future:

1. **Use the Rainy Day Fund.** An estimated \$8 billion in savings will be available for the next budget from a fund whose constitutional mandate is shoring up state services during economic downturns.
2. **Take advantage of available federal funding.** Texas taxpayers need our state leaders to prioritize bringing our share of federal dollars back to Texas.
3. **Close wasteful tax loopholes, and develop new revenue sources.** The House Ways & Means Committee has been systematically reviewing tax exemptions this interim in order to help the Legislature identify those that are outdated and that can be eliminated without hurting the average taxpayer.

Thank you for your time and commitment. If you have any questions, please feel free to contact me or the staff of Texans Care for Children at 512.473.2274.

Respectfully,

Josette Saxton
Policy Associate
Texans Care for Children
jsaxton@txchildren.org

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- ⁱ Annie E. Casey Foundation's *2010 Kids Count Data Book*.
- ⁱⁱ Trust for America's Health. (2010). *F as in Fat 2010: How the Obesity Crisis Threatens America's Future*.
<http://www.rwjf.org/files/research/20100629fasinfatmainreport.pdf>
- ⁱⁱⁱ Kaiser Family Foundation. (2007). *Percent of Children (2-17) with Emotional, Developmental, or Behavioral Problems that Received Mental Health Care, 2007*.
<http://statehealthfacts.org/comparetable.jsp?typ=2&ind=53&cat=2&sub=14&sortc=1&o=a>
- ^{iv} Shonkoff, J. and D. Phillips. (2000). *Neurons to Neighborhoods: The Science of Early Childhood Development*. National Academy Press, Washington, D.C.
- ^v *Preterm Birth: Causes, Consequences, and Prevention*, Institute of Medicine, 2006. National Academy Press, Washington, D.C.
- ^{vi} U. S. Surgeon General. (2007) *Overweight and Obesity: Health Consequences*.
http://www.surgeongeneral.gov/topics/obesity/calltoaction/fact_consequences.htm
- ^{vii} Texas Comptroller of Public Accounts. (2007) *Special Report Counting Costs and Calories Measuring the Cost of Obesity to Texas Employers*. <http://www.window.state.tx.us/specialrpt/obesitycost/>
- ^{viii} Calculation based on data in Legislative Budget Board 2007 Texas State Government Effectiveness and Efficiency Report. Figure 5 (2007) Government Effectiveness and Efficiencies Report.
- ^{ix} Texas Youth Commission Strategic Plan 2011-2015 (2010).
http://www.tyc.state.tx.us/about/TYC_Strategic_Plan_2011_to_2015.pdf
- ^x Calculation based on information in the Texas Youth Commission 2009-2013 Agency Strategic Plan.
- ^{xi} Department of Family and Protective Services. *Children Entering Substitute Care With Removal Reason of Refusal to Accept Parental Responsibility by Disabling Conditions and Additional Removal Reasons Fiscal Year 2008*. E-mail correspondence Katie Renner Olse , External Relations Lead, DFPS. July 3, 2009.
- ^{xii} The Perryman Group. (2009) *Costs, Consequences, and Cures: An Assessment of the Impact of Severe Mental Health and Substance Abuse Disorders on Business Activity in Texas and the Anticipated Economic and Fiscal Return on Investment in Expanded Mental Health Services*.