



**Texas Legislative Budget Board Hearing
Health and Human Services Commission
September 15, 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 also co-convene various stakeholder groups which bring together a wide range of organizations, families, and advocates around our areas of focus, which are: family economic security; infant, child and maternal health; children’s mental health; child welfare; and juvenile justice and at-risk youth.

As you examine the budget requests for the Health and Human Services Commission (HHSC), Texans Care urges you to consider the long term costs that the state would incur by following the 10% reduction schedule proposed by the agency. Just a few of the areas impacted by this reduction include:

- Elimination of over 100 currently filled positions, something which HHSC has evaluated would “very significantly impact” their mission, “diminish responsiveness and service delivery” and make HHSC vulnerable to both federal and state noncompliance.
- Significant reductions in program and service contracts to save approximately \$500,000/year, given loss in federal match. Along with a number of other vital programs, family-based long term care options would be compromised. Institutional care has long been established as not only extremely costly, but also detrimental to the wellbeing of individuals. Such a cut provides insignificant savings and dire consequences for families.
- Cuts that reduce eligibility validation and verification staff and contracts. HHSC has made significant improvements in its eligibility system to address backlogs, inaccuracies, and delays, all of which would be undermined.
- Reductions in Medicaid and CHIP enrollment outreach efforts. State leadership consistently identifies enrollment of the currently eligible, but un-enrolled as a priority as we seek to reduce costly health outcomes and local burdens for uncompensated care. Reducing outreach funding works against achieving this stated goal.
- Reductions in support of community resource coordination groups. These groups are critical in maximizing resources and increasing efficiency in local service provision to children with the most complex and severe needs. Coordination is key to preventing duplication of services and reducing ineffective spending of public dollars. It also is a critical piece in preventing costly out-of-home placements.

Before making any cuts to vital services, Texas needs a balanced approach to balancing the state budget. 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,

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