



**Senate Finance Committee**

**E1.036**

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Organization: Texans Care for Children

Contact: Eileen Garcia

Phone Number: 512-473-2274

Chairman Ogden and members of the Committee, Thank you for this opportunity to provide testimony. I am Eileen Garcia, Chief Executive Officer of Texans Care for Children, a nonprofit organization that works solely to improve outcomes for Texas children through policy change. We come by our recommendations and policy positions through active dialogue with our network of members throughout the state who together represent thousands of Texas children. We also co-convene various stakeholder groups, which bring together a wide range of organizations, families, and advocates around our areas of focus: family economic security; infant, child and maternal health; children's mental health; child welfare; and juvenile justice.

As you make decisions regarding the Health and Human Services Commission (HHSC) budget, Texans Care urges you to consider the local burden and long term costs that the state incurs by not addressing real community need. The outcry from so many people who have testified this week speaks to the breadth of impact of making these cuts. There are no good choices to be made if our state continues to only look to cuts in services in balancing the budget.

As many have already highlighted, key areas of concern regarding cuts to the CHIP and Medicaid programs include:

- Forgoing federal matching funds, which would help bear the burden of Texas healthcare costs, while also infusing more money into the economy,
- Leaving insufficient funding to cover anticipated caseload growth, and
- Decreases in provider reimbursement rates that will result in shortages, leaving many children resorting to costly acute care rather than cost effective preventative care.

In addition, other related cuts undermine the effectiveness of these two programs. The proposed elimination of Frew Strategic Initiatives and decreased funding for Medicaid Medical Transportation defund strategies for reducing barriers in access to care. In addition, HHSC cuts would result in the elimination of the Children's Hospital Upper Payment Limit Program, which helps our state's children's hospitals continue to serve all children in need of services.

We also know members of the committee are aware of the potentially devastating cuts to the Nurse Family Partnership. HHSC's recently released evaluation of the Nurse Family Partnership shows strong early outcomes, very much in keeping with national outcomes on key indicators such as levels of preterm birth, low birth weight, rates for breastfeeding initiation, and rates of domestic violence, among others. All of these improved outcomes result in significant reductions in long-term state costs, and the reduction of these services reflects key opportunities missed to ensure that children are not propelled into cycles of violence, poverty, poor health, and long-term dependence on public programs.

These are just a few of the many dire cuts reflected in SB 1. Our members and partners throughout the state propel us not to call for the elimination of any one particular cut, but rather to call for reforming the way our state devises its budget. Texas already spends the least per capita of any state and has some of the worst outcomes for its children. We need a balanced approach to balancing the state budget. We will continue to urge our state leaders to look at options that bring state revenue into alignment with the actual level of need, in particular by:

- Spending the Rainy Day Fund.  
An estimated \$9 billion in savings will be available for the next budget from a fund whose constitutional mandate is shoring up state services during economic downturns.
- Taking advantage of available federal funding.  
Texas taxpayers need our state leaders to prioritize bringing our share of federal dollars back to Texas so that we do not continue to serve as a "donor state."
- Closing wasteful tax loopholes and developing new revenue sources.

Thank you for your time and commitment to doing what is right for Texas.

Sincerely,

Eileen Garcia  
Chief Executive Officer  
Texans Care for Children