

Deep Concerns Regarding the Across-the-Board Cut in the Senate Budget

Testimony to the Senate Finance Committee

We urge the Committee to withdraw the across-the-board cut contained in Article IX of the Senate budget and consider each program's funding needs on a case-by-case basis. The proposed \$1 billion cut would undermine the state's efforts to improve child protection. It would lead to Medicaid cuts far in excess of the controversial therapy rate cuts for children with disabilities. It would also make it harder to reach full funding for the new pre-k grant program and other services that are critical to the success of children.

We appreciate the opportunity to comment on Article IX of the Senate's budget bill and thank the Committee members for their hard work on the difficult task of writing the state budget. However, we are deeply concerned about the across-the-board budget cut that is included in Article IX.

We believe that this extra \$1 billion cut would harm Texas children and families. If applied evenly across the budget (exempting school funding formulas), the across-the-board cut would reduce the health and human services budget by \$489 million, education by \$309 million, and public safety and criminal justice by \$173 million, in addition to cuts in other critical areas of the state budget.

We have praised the Senate's budget proposal for providing an additional \$260 million for child protection, while noting that additional work is needed to properly fund prevention and foster care. But the across-the-board cut raises several questions about CPS funding. Is the \$260 million increase in the budget proposal reduced by 1.5 percent so that it's actually \$256 million? If so, which child protection effort would be scaled back by \$4 million? Is all other CPS funding also subject to the across-the-board cut, further eroding the

overall \$260 million increase? If child protection is spared from the across-the-board cut, would other health and human services functions, such as mental health or women's health care, be cut even deeper?

The across-the-board cut would also dwarf the current budget's controversial \$150 million General Revenue cut to Medicaid, which we know from family and provider testimony has reduced access to therapy for children with disabilities. The across-the-board cut would reduce funding for Medicaid and the Children's Health Insurance Program by approximately \$400 million in General Revenue plus additional losses in federal matching funds. We understand that the Senate budget proposal already underfunds Medicaid by \$1.9 billion by excluding enrollment growth and the funding needed to address the current budget's shortfall. Any reductions in Medicaid will come at the expense of the children, seniors, Texans with disabilities, and pregnant women who account for 96 percent of the state's Medicaid enrollees. On the other hand, continued investment in child and maternal health programs would save the state money by preventing poor health outcomes, such as premature birth, birth defects, and pregnancy complications, and by helping young children with disabilities and developmental delays meet their goals and be prepared for school.

Applying the across-the-board cut to the Senate's proposed \$150 million for pre-k grants would create a larger gap between the Senate budget and the amount needed to maintain full funding. We appreciate that the Senate budget increases total biennial funding for the pre-k grant program to \$150 million, but that funding level still falls short of the \$236 million needed to simply maintain the current level of annual funding.

We have concerns about how the across-the-board cut would affect other critical children's programs as well. It has the potential to deny community mental health services that keep kids with serious mental health services with their families and in school learning and out of more restrictive and costly placements like hospitals, residential treatment, foster care and juvenile justice. Cuts in rehabilitative programming for youth in the juvenile justice system today will lead to more youth cycling in and out of the justice system through adulthood and increasing costs in later budgets.

A 1.5 percent cut, totaling more than \$1 billion, would have far-reaching consequences. To put it in perspective, if a program serves 1,000 kids, 15 of those children will lose services. They will be children in your communities and districts. Children whose parents have paid taxes. Children who were traumatized in the foster care system. Children who should be the priority of our state leaders.

We urge the Committee to withdraw the across-the-board cuts and consider each program's funding needs on a case-by-case basis. If necessary, we urge the Committee to tap the Rainy Day Fund in order to avoid these significant cuts. We understand the Committee faces a difficult task and we appreciate your consideration.