



Prioritizing Texas Children in the State Budget

January 29, 2021

**We drive policy change to improve the lives of
Texas children today for a stronger Texas tomorrow.**

Our Areas of Focus

Child Health

Child Protection

Mental Health

Early Childhood

Youth Justice

Today's Agenda

- Major budget priorities and concerns for Texas kids
- Closer look at Article III: pre-k, public education funding, student mental health
- Closer look at Article II: foster care, child abuse prevention, maternal and child health, Early Childhood Intervention
- Q&A


** Post questions in the Q&A chat box**



Key Takeaways from the State Budget

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- Commitments to public education and pre-k are maintained, but COVID-19 demands additional action
- No funding for schools to address student learning loss that is rooted in emotional distress caused by the pandemic
- Investments in foster care system & child abuse prevention programs are level-funded. But TX needs to prepare for the Family First Prevention Services Act
- Concerned about funding levels for Early Childhood Intervention services for infants and toddlers with disabilities. Funding level in SB 1 is particularly concerning

A young girl with dark hair, wearing a light grey long-sleeved shirt, is smiling broadly and holding a book above her head with both hands. She is standing in a library or bookstore, with shelves of books visible in the background. The image has a dark, semi-transparent overlay.

A Closer Look at Article III:
pre-k, public education, student mental health

Top Three Takeaways

- HB 3 fully funded
- TEA COVID exceptional item not funded
- Hold harmless protections not addressed

HB 3 Investments Fully Funded

- \$41.2 billion in General Revenue Funds and \$53.0 billion in All Funds
- This amount represents a biennial increase of \$3.8 billion, or 10.1 percent, in General Revenue Funds, and an All Funds increase of \$4.1 billion, or 8.4 percent, compared to the 2020–21 biennium
- Allocations and formulas will be determined by education committees

TEA COVID Exceptional Item Not Supported

- TEA Requested a single exceptional item, “Ensuring Equitable Opportunity through Targeted Supports”
- \$20 million in funding will help districts:
 - attract and train effective, diverse educators
 - provide high-quality instructional materials to curb the achievement gap
 - build out research-based, targeted interventions and supports for children experiencing learning loss

Protections Missing for COVID Enrollment Declines

- Overall 3% decline in enrollment, but a 22% decline in pre-k and early childhood enrollment
- No protections currently in place for Spring semester
- Without TEA action, the Legislature will need to ensure districts do not face a significant budget cut given early childhood and other enrollment declines due to COVID

Additional Key Points

- The Legislature should keep building progress to ensure pre-k is full-day and effectively addresses children's developmental needs
- The Legislature should focus on children most adversely impacted by learning loss, including young English Learners
- The Legislature should take action to increase access to high-quality child care programs and strengthen the early childhood workforce that supports them

Student Mental Health

Top Takeaway

- Introduced budgets provide no funding to help schools address student learning loss due to emotional distress of the pandemic
- TEA's COVID Exceptional Item does not include strategies that target social-emotional barriers to learning.

Parents Recognize the Need Social-Emotional Support in Schools

In a recent Raise Your Hand Texas poll, the majority of parents of public school students in Texas said:

- It's extremely or very important to provide support for students' and teachers' emotional health and well-being as part of COVID response
- Lack of access to social-emotional and/or mental health supports is a barrier to student learning

COVID-19 Relief

- Texas can use existing and future federal funds to help schools address learning loss rooted in social, emotional, and mental concerns
 - Texas Example: Project RESTORE - a trauma-informed training video series
- At least ten other states used the Coronavirus Aid, Relief, and Economic Security (CARES) Act to address student social-emotional development or mental health

Help Districts Support Student Mental Health

- Funding needed to support implementation of mental health provisions in SB 11 and HB 18
- Use School Safety Allotment to support mental health strategies
- Provide school mental health infrastructure grants
- Provide districts with enhanced training and technical assistance

Additional Key Points

- SB 1 increases funding (\$14.8 million) for the Texas Child Mental Health Consortium school telepsychiatry/health (TCHATT) program
 - Increase is not included in House budget proposal

A photograph of a woman with long brown hair hugging a young girl with dark hair and bangs from behind. The woman is smiling and looking down at the girl. The girl is also smiling and looking towards the camera. The background is a soft, out-of-focus green and white. The image has a dark, semi-transparent overlay.

A Closer Look at Article II:

foster care, child abuse and neglect prevention, health care, maternal and infant health, Early Childhood Intervention

Keeping Kids Safe

Top 3 Takeaways for Child Protection

- The *good*: Level funding for CPS and PEI*
- The *bad*: MedCARES program eliminated
- The *uncertain*: 2018 Family First Act implementation
 - Will TX maximize new federal \$ for substance use, mental health, and parent support services to keep kids out of foster care?
 - How will TX address the anticipated \$52M loss in federal funding for foster care this biennium?

Invest More in Child Abuse and Neglect Prevention

- Increase funding for Prevention and Early Intervention programs
- Leverage funding from the 2018 Family First Act
 - Pilot FFPSA Prevention Service Coordination through PEI Community Grants
 - Expand Helping through Intervention and Prevention (HIP) Services for Pregnant and Parenting Foster Youth
 - Expand Capacity for FFPSA Prevention In-Home Parenting Programs

Continue Funding MedCARES

- In its LAR, DSHS proposed eliminating MedCARES
- MedCARES provides grant funding to hospitals, academic health centers, and health care facilities with expertise in pediatric health to prevent, assess, diagnose, and treat child abuse and neglect
- Cutting MedCARES funding would tear down key infrastructure we have in place to protect children

Mitigate the Anticipated Loss of Federal Funding for Foster Care via Smart Implementation Strategies

- FFPSA restricts reimbursement for foster care facilities that are lower quality or unspecialized
- Texas has ZERO providers that meet the new federal quality standards
- Amend Rider 24 to protect federal funding by:
 - Expanding eligibility for “Treatment Foster Family Care” and
 - Allowing foster care facilities to offer discharge planning and aftercare services

Additional Key Points

- The main difference between the House and Senate budget is how they fund Community-Based Care
- Funding for the federal lawsuit is going to be a longer term conversation and is (mostly) NOT included in the base budget
- Providers may need more support through a rate increase

Child and Maternal Health

Top Four Takeaways Maternal and Child Health

- Several assumptions in the Medicaid & CHIP budget
- House and Senate propose cuts to HHSC eligibility & enrollment
- House budget maintains per child funding levels for Early Childhood Intervention (ECI)
- House and Senate continue funding for Dept. State Health Services (DSHS) maternal mortality prevention efforts

Assumptions in the Medicaid & CHIP Budget

- Assumes less favorable federal matching fund rate (FMAP) = decreased federal funds for Medicaid
- Assumes loss of 6.2 percentage-point FMAP bump that is in place now as part of COVID relief. But this increased funding should continue into at least part of FY 2022
- Does not account for cost growth, which is needed to ensure we have enough health providers participating in Medicaid and CHIP

House and Senate Cut HHSC Eligibility & Enrollment Funding

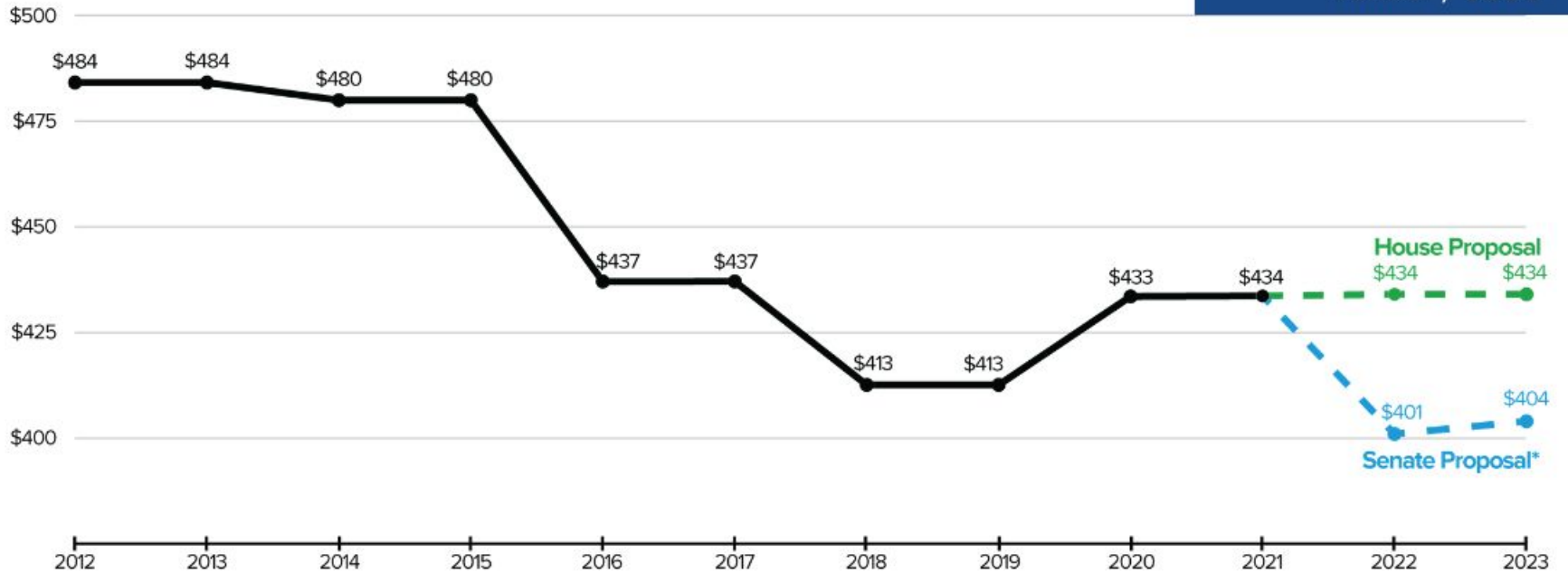
- House and Senate maintain 5% reductions in eligibility determination and enrollment
- Families would likely face delays in signing up for important programs like CHIP, Medicaid, SNAP food stamps and other services if funding is not increased



Texas Funding for Early Childhood Intervention for Toddlers with Disabilities

2019 Legislature: \$342 million
Proposal in HB 1: \$339 million
Proposal in SB 1: \$315 million





*Calculated using enrollment projection figures from the House budget proposal, which fall between the lower projections in the Senate proposal and higher projections in HHSC's Legislative Appropriations Request.

SIGNIFICANT DECLINE IN TEXAS ECI FUNDING PER MONTH PER ENROLLED CHILD



Source: T.X. Legis. Assemb. Reg. Sess. General Appropriations Acts for the 82nd, 83rd, 84th, 85th, and 86th legislative sessions. House and Senate budget proposals for Fiscal Years 2022-2023, as filed in January 2021 for the 87th legislative session.

DSHS Maternal Mortality Program Funding

Rider 22: \$7 million federal funds over biennium for:

- *TexasAIM* maternal health & safety initiatives at Texas hospitals and birthing centers
- Risk assessment tool to identify pregnant women who are at higher risk of complications
- Public awareness and prevention



Additional Key Points

- Cost Containment rider is simply a huge cut to Medicaid (See Rider 106 in SB 1)
- Rider 23 in the House version aims to improve access to pediatric services for children age three and younger
- Rider 17 in SB 1 and House version promotes maternal health through Medicaid add-on payment for labor & delivery services at rural hospitals

Health Coverage at 90% Federal Match Makes Sense for TX's Budget

- Texas is one of the only remaining states where uninsured workers with jobs below the poverty line – like child care educators, grocery store cashiers, and aides to seniors and people with disabilities – typically can't get Medicaid
- A Texas plan to take federal dollars at 90% federal match would help fill in the gap between the budget and the revenue estimate
 - Sept. 2020 analysis commissioned by Episcopal Health Foundation: Non-federal costs would be \$1.3 billion over a biennium and state savings would total \$1.4 billion over a biennium, for a net state budget savings of about \$100 million over a biennium
 - Texas 2036's Health Coverage Policy Explorer: A Texas solution that qualifies for federal 90% match would maximize the number of Texans who have health insurance at a minimal impact to the state budget

Contact Us

L'Aunjane Carriere

Policy Coordinator
lcarriere@txchildren.org

Katie Mitten

Health Policy Associate
kmitten@txchildren.org
@katiemittentx

Josette Saxton

Director of Mental Health Policy
jsaxton@txchildren.org
@josettesaxton

David Feigen

Early Childhood Policy Associate
dfeigen@txchildren.org
@DavidFeigen

Kate Murphy

Senior Child Welfare Policy Associate
kmurphy@txchildren.org
@K8MurphysLaw

Adriana Kohler

Policy Director
akohler@txchildren.org
@AKohlerTX

Stephanie Rubin

CEO
srubin@txchildren.org
@Steph_Rubin

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