



May 2, 2023

TO: Conference Committee on HB 1

Senate Conferees

The Honorable Joan Huffman, Chair
The Honorable Lois Kolkhorst
The Honorable Robert Nichols
The Honorable Brandon Creighton
The Honorable Charles Schwertner

House Conferees

The Honorable Greg Bonnen, Chair
The Honorable Mary Gonzalez
The Honorable Armando Walle
The Honorable Jacey Jetton
The Honorable Gary VanDeaver

Thank you for your dedicated efforts in crafting state budgets that support Texas children. As the budget conference committee works to reconcile differences between the budget bills passed by the Senate and House, we would like to provide Texans Care for Children’s recommendations for crafting a biennial budget that prioritizes the health, safety, and well-being of children in Texas.

Article II - Department of Family and Protective Services (DFPS)

- **Support the full \$90.2 million increase that DFPS requested for Prevention and Early Intervention (PEI) programs (about \$30 million over House funding).** Programs such as Nurse Family Partnership, Texas Home Visiting, and Healthy Outcomes Prevention and Early Support (HOPES) are proven to keep children safe, prevent child maltreatment, and support positive youth development. The full \$90.2 million increase that DFPS requested is needed to offer services in urban and rural areas and would allow Texas to serve 22,000 additional eligible families each year who are not receiving services now.
- **Adopt DFPS Rider 42 and Rider 44 in the House budget bill so Texas can use a small portion of unexpended federal Family First Transition Act (FFTA) grant funding** to study creative cost reimbursement models that other states are using to implement the Family First Prevention Services Act and to develop an asset map that would give Texas a more holistic picture of gaps in services and strengths in services supporting families.
- **Adopt DFPS Rider 49 in the House budget bill to use a portion of unexpended federal Family First Transition Act grant funding to serve children and families outside of the 24 families in the existing Texas Family First pilots.** While we appreciate the goal of a similar rider in the Senate Budget bill (DFPS Rider 44), Rider 49 would continue funding for the Texas Family First pilots and allow funding to support services for pregnant women or mothers with substance use disorders and their children as well as children who may enter foster care because their parents refuse to accept parental responsibility.
- **Support HHSC Rider 131 in the Senate budget bill directing HHSC and DFPS to develop a new kinship care-specific license** – available through newly-proposed federal rules –

which will help Texas achieve pay parity for kinship caregivers in the future. Placing children with grandparents or other kinship care providers, rather than placing them with strangers in foster care, helps to keep families together and improve outcomes for children.

Article II - Health and Human Services Commission (HHSC)

Early Childhood Intervention

- **Adopt funding levels for Early Childhood Intervention (ECI) in the House budget bill (\$192.6 million in FY 2024 and \$199.3 million in FY 2025), which is \$6.2 million higher than the Senate budget bill, to ensure infants and toddlers with disabilities can access life-changing therapies.** For the last decade, the number of children served by ECI has exceeded the Legislature’s budgeted projections, meaning that the actual per-child funding that ECI providers receive is much lower than target per-child funding in the state budget.¹ Additional funding is urgently needed to correct years of underfunding, account for the growing number of infants and toddlers served by ECI, and help address the rising cost of providing ECI services, such as transportation and staff retention.
- **Adopt House HHSC Rider 147, which requires HHSC to issue ECI enrollment and forecasting reports** to give lawmakers access to the best possible information and estimates to allow them to make judicious decisions on funding for these critical ECI services.

Medicaid, Maternal & Child Health

- **Support the House budget bill’s funding for Strategy I.1.1. - Integrated Eligibility and Enrollment (\$762.5 million in FY 24 and \$673.9 million in FY 25)** so Texas can address critical workforce needs and recruit and retain eligibility staff who help process applications for Medicaid, CHIP, SNAP, and Healthy Texas Women. Significant eligibility worker vacancies at HHSC contribute to long delays in processing applications, including 130,000 applications in backlog for Medicaid and 2,000 applications in backlog for SNAP.² Increased funding in the House budget bill will help the agency fill vacancies and hire new eligibility staff to reduce delays that prevent Texas children from enrolling in benefits for which they are eligible.
- **Adopt the House budget’s additional investments to support the end of continuous coverage in Medicaid (\$143 million All Funds)** so HHSC has the workforce, technology, and tools needed to handle the increased workload and influx of renewals the state must process because continuous coverage in Medicaid ended on March 31, 2023. Although the budget bills reflect slightly different amounts (\$143 million All Funds in the House budget bill; \$99.3 million All Funds in the Senate budget bill), Senate and House leaders have consistently emphasized the need to provide additional funds to HHSC to support the end of continuous coverage.

¹ Texas Health and Human Services Commission (December 2022) ECI Funding Per Child. <https://static1.squarespace.com/static/5728d34462cd94b84dc567ed/t/63d296c3330a931ec4678f61/1674745577294/HHSC-ECI-Funding-Per-Child-December-12-2022>.

² Based on data received from the Texas Health and Human Services Commission via Open Records Request.

- **Adopt HHSC Rider 126 in the House budget bill, which provides \$10 million over the biennium for grants to community organizations to administer women’s health preventive mobile units.** Mobile units increase access to Healthy Texas Women and Family Planning Program in underserved areas of Texas.
- **Support HHSC Rider 135 and Rider 140 in the House budget bill, which together provide a much-needed 10 percent increase in physician payments to Medicaid providers delivering pediatric services to children ages 0 to 4.** With critical brain development occurring in the first few years of life, infants and toddlers need consistent check-ups, screenings, and other medical care for a healthy start. This rider is targeted to improve access to pediatric primary and specialty health care for children ages 0 to 4.
- **Adopt HHSC Rider 16 in the House budget bill, which provides a \$1,500 Medicaid add-on payment for labor and delivery services provided by rural hospitals,** at a total cost of \$31.5 million All Funds annually. Both the House and Senate budgets reflect a desire to prioritize funding for labor and delivery services in rural areas. The House budget bill’s higher investment is urgently needed to help prevent rural hospitals from closing their labor and delivery units and ensure services and staff are available for women having babies.
- **Support HHSC Rider 150 in the House budget bill directing HHSC to study and report on statewide access to maternity care.**

Children’s Mental Health

- **Support increased funding of \$4.2 million in the House budget bill to increase rates for the YES Waiver program to serve more children with complex mental health challenges, including children in DFPS conservatorship.** State leaders developed the YES Waiver program so that children with serious mental health concerns who may be at imminent risk of hospitalization or residential treatment can access treatment and specialized services that would otherwise not be available in their community. But from April 2021 to March 2022, 2,656 children statewide were on YES Waiver program inquiry lists, essentially waiting lists, nearly double the number of children who were enrolled in the program in any given quarter during those twelve months.³ Mental health providers report that low reimbursement rates set by HHSC are a significant factor preventing providers from enrolling more eligible children into YES Waiver services.⁴
- **Adopt the \$244.9 million biennium funding level for Strategy D.2.2 - Community Mental Health Services for Children in the House budget bill, which is \$27 million higher than the Senate, so that children struggling with mental health challenges can receive help before reaching a level of crisis.** Specifically, we appreciate **House HHSC Rider 35** that allots \$32.5 million per fiscal year for innovation grants to support community-based initiatives that improve access to mental health care for children, such as programs that reduce juvenile justice involvement, relinquishment, and preventable emergency room visits. While both the Senate and House support funding for these

³ YES Waiver Annual Inquiry List data provided by HHSC for April 2021-March 2022.

⁴ Texans Care for Children. Texas Leaders Must Help Parents Seeking Mental Health Support for Their Children (June 2022).

innovation grants (\$7.5 million in Senate bill and \$32.5 million in the House bill per fiscal year), the House budget bill's higher investment in community-based innovation grants *focused on children* is much needed to help children from reaching a level of crisis and prevent further need for intensive treatment in more restrictive and expensive settings.

Article VII - Texas Workforce Commission (TWC)

- **Support the proposed rider in Article XI of the House budget bill (See page XI-20) to continue the state's successful stabilization grants to provide bedrock funding to approximately 13,000 child care providers and over 90,000 Texas early educators.** As more child care providers close and classrooms sit empty due to a lack of teachers, some parents cannot work, and businesses throughout the economy cannot hire and retain employees. In the absence of legislative action, the crisis is about to get worse: According to a recent survey from the Texas Association for the Education of Young Children, 44 percent of responding child care programs indicated their program is likely or maybe likely to close within the next year when federal relief funding expires.

We appreciate your consideration and look forward to working with you on these priorities. If you have any questions, you can contact me directly at srubin@txchildren.org or contact our Policy Director, Adriana Kohler, at akohler@txchildren.org.

Sincerely

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