

# A Good Start to Restoring Funding for Early Childhood Intervention (ECI) for Toddlers with Disabilities

The initial budget bills make progress in funding for ECI, but chronic underfunding, significant caseload growth, and the rising cost of providing services show the Legislature should invest more in supporting Texas infants and toddlers with disabilities.

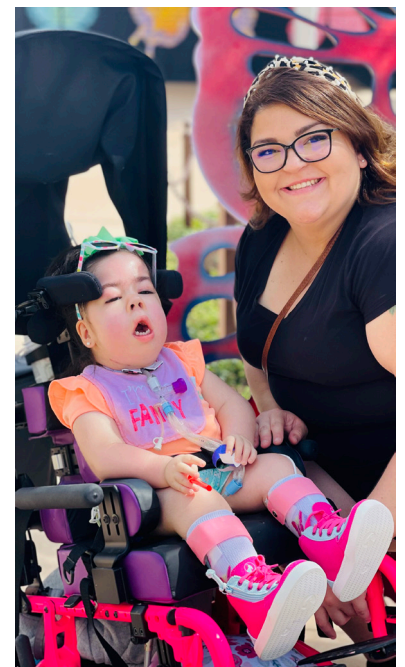
## Texas ECI is highly effective for infants and toddlers with disabilities — when they have access to it.

Early Childhood Intervention (ECI) is a federal-state program that contracts with community organizations, such as Any Baby Can and Easter Seals, to provide life-changing therapies and services to babies and toddlers with autism, Down syndrome, speech delays, and other disabilities and developmental delays. By serving children during the critical first three years of life, a time of rapid brain development, ECI is highly effective in helping children learn to walk, communicate with their families, get ready to start school, and meet other developmental goals.

**As a result, ECI reduces the need for costly special education services.** In fact, a national study that tracked children from state's early intervention programs as they entered elementary school found that only 58 percent were receiving special education services when they entered school<sup>1</sup>. Thirty-two percent of children were considered to no longer have a disability or developmental delay, while ten percent had a disability or delay but did not receive special education services.

## During her pregnancy, Natalia learned her daughter would be born with abnormalities. Thanks to ECI, Natalia and Mariana recently danced together for the first time.

During a routine check-up early in her pregnancy, Natalia Castillo found out that her daughter was going to be born with abnormalities, but it wasn't until Mariana was born that they knew the extent of the care she would need. Mariana was born prematurely at 34 weeks. There were complications immediately. After tracheotomy surgery and 135 days in the NICU, Mariana was finally diagnosed with Central Core disease, a rare neuromuscular genetic disorder, and was sent home with a slew of home-care equipment and instructions.



*Natalia and her daughter Mariana.*

Natalia was overwhelmed — but the local ECI provider, Any Baby Can, stepped in. A case worker helped Natalia enroll Mariana in Occupational Therapy (OT), Physical Therapy (PT), and Speech Therapy (ST). With the caseworker coordinating everything, Natalia could focus on helping Mariana through her appointments, finding ways to support her daughter, and enjoying moments with her daughter that she never thought she would have. With the help of PT, Mariana was able to use her medical standing device and dance with her mom for the first time. Mariana graduated from the ECI program in September of 2022, and because of the critical services she received, she is in a better position to reach her full potential and enjoy just being a kid.

## **Unfortunately, chronic underfunding from the state has led to Texas kids like Mariana missing out on ECI.**

Over the last decade, the Legislature has largely underfunded ECI (as detailed below). It also cut Medicaid reimbursement rates for therapy providers and narrowed ECI eligibility. While the Legislature did begin to restore ECI funding levels during the 2019 session, the overall picture has been one of inadequate funding by the state.

**When the state underfunds ECI, there are multiple ways it can hurt infants and toddlers with disabilities.** Amid this financial pressure, ECI programs have had to:

- Reduce outreach efforts, leading to kids missing out on ECI altogether or starting late;
- Close down entirely in some cases, as recently as 2018, leaving families without support during program transitions; and
- Reduce the amount of support for children enrolled in ECI due to staffing shortages and budget pressures.

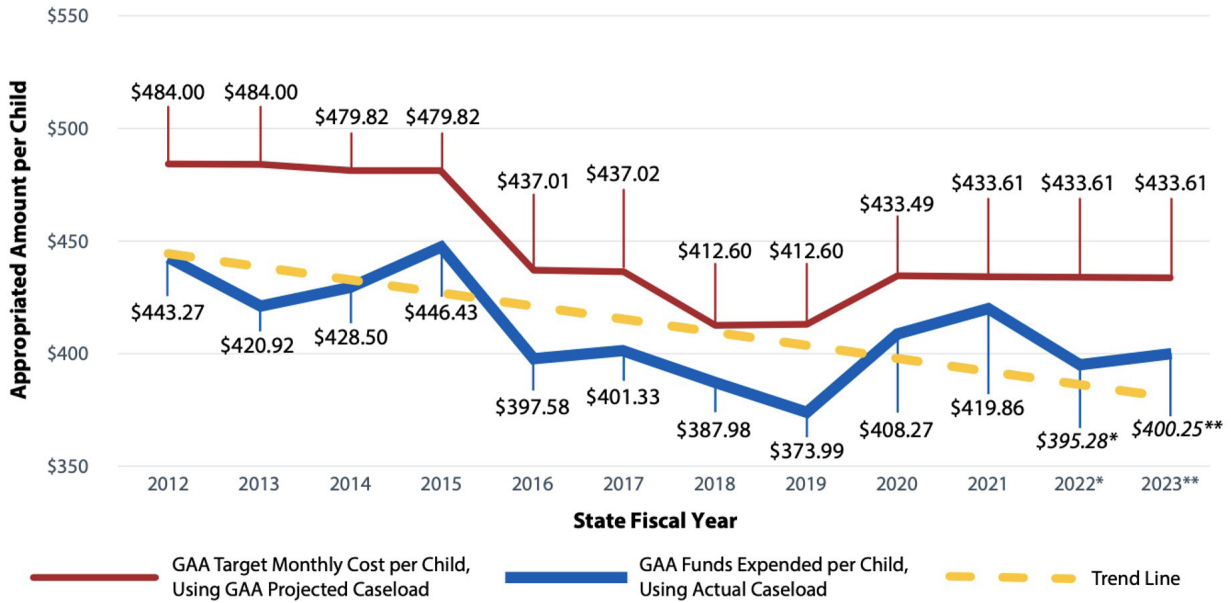
## **As state funding per child continues to drop in comparison to the Legislature’s stated target and past funding levels, ECI providers across Texas are being asked to serve more kids with less funding.**

The number of children served by ECI providers has increased consistently for the past 10 years (with the exception of a 2 percent reduction in fiscal year 2021 due to the COVID-19 pandemic) while funding has not increased at the same rate<sup>2</sup>. ECI contractors are required to offer the full array of services to every eligible child who seeks service, even if the ECI contractors are already serving – or exceeding – the target number of children in their contract with the state.

**The state of Texas has consistently underestimated future enrollment of children in ECI programs. As a result, the state is currently providing ECI programs with less funding per child than the Legislature set as the target in the state budget last session.** While the Legislature funded the ECI program at \$434 per child last session, the **actual** funding per child as of December 2022 was only \$395 due to increasing enrollment.<sup>3</sup> This continues a trend in which the actual state funding per child is consistently lower than the **target** ECI funding levels allocated by the Legislature.

**State ECI funding per child is also significantly lower than the \$504/child target set by the Legislature for 2010 — even before accounting for inflation.** The state’s \$434 per-child target for the current biennium, and the actual \$395 provided, fall far short of the \$504 target set by the Legislature in 2009 and the targets set in 2011 and 2013. The true gap between current funding and funding a decade ago is actually much larger if inflation over the last decade is taken into account, but the dollar figures in this analysis use nominal dollars rather than real (inflation-adjusted) dollars. However, just like every other sector of the economy, ECI providers face significantly higher costs for staff, office space, transportation, and other core expenses than they did a decade ago.

## Actual ECI Funding Per Child Provided by the State is Consistently Below the Target Amount Set by the Legislature



Graph provided by HHSC.<sup>4</sup>

The 2010 GAA Target Monthly Cost per Child was \$504, which was removed to allow a decade comparison.<sup>5</sup>

\*Fiscal year 2022 actual figures are based on incomplete data as of November 2022 and are subject to change as additional data is received.<sup>6</sup>

\*\*Fiscal year 2023 actual figures are the current official June 2022 forecast.<sup>7</sup>

## The House and Senate introduced budgets include the agency’s Exceptional Item (EI) request for ECI, providing a good starting point.

Both Senate Bill 1 and House Bill 1 as filed are a good starting point for restoring funding for ECI programs. During the interim, the Health and Human Services Commission (HHSC) released its Legislative Appropriation Request (LAR) requesting additional ECI funding through Exceptional Item #11. In this exceptional item, the agency requested \$56.5 million in general revenue and \$66.3 million in all funds for the FY 2024-2025 biennium to fund anticipated caseload growth in ECI<sup>8</sup>. The agency pointed to the significantly increased caseload growth to show the need for this exceptional item to be included in the budget. **In SB 1 and HB 1 as filed, ECI funding increased by close to \$70 million from the actual allocated funds from the FY 2022-2023 budget to bring proposed funding levels to \$189 million in FY 2024 and \$197 million in FY 2025<sup>9</sup>.** We are very grateful to the Legislature for including this funding in the introduced budget bills.

This additional funding will help bring back funding to the \$433.61 per child that the Legislature set as the target when it passed the current state budget in 2021.

## We urge the Legislature to fund the EI and go further to fully restore per-child ECI funding to previous levels and accurately account for increasing enrollment.

To account for growing demand for ECI services among infants and toddlers as well as rising costs of services, the Legislature should build off of the strong starting point of Senate Bill 1 and House Bill 1. The Legislature must increase funding for ECI raising the per-child funding to \$504 by increasing the amount currently appropriated in the budget to \$219 million in 2024 and \$227 million in 2025 (a total increase of \$60 million for the biennium).

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### Endnotes

1. SRI International (January 2007). *Early Intervention for Infants and Toddlers with Disabilities and Their Families: Participants, Services and Outcomes*. [https://www.sri.com/wp-content/uploads/2021/12/neils\\_finalreport\\_200702.pdf](https://www.sri.com/wp-content/uploads/2021/12/neils_finalreport_200702.pdf)
2. 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>
3. Ibid.
4. Ibid.
5. Ibid.
6. Ibid.
7. Ibid.
8. Texas Health and Human Services Commission (September 2022) *Legislative Appropriations Request for Fiscal Year 2024 and 2025 Volume I* <https://www.hhs.texas.gov/sites/default/files/documents/hhsc-legislative-appropriations-request-2024-2025.pdf>
9. Texas Legislative Budget Board (January 2023) *Legislative Budget Estimates by Strategy, Article I to III, Fiscal Years 2021 to 2025, House* [https://www.lbb.texas.gov/Documents/Appropriations\\_Bills/88/LBB\\_Recommended\\_House/LBE\\_HOUSE\\_STRATEGY\\_I-III\\_88R.pdf](https://www.lbb.texas.gov/Documents/Appropriations_Bills/88/LBB_Recommended_House/LBE_HOUSE_STRATEGY_I-III_88R.pdf)

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