



May 2, 2025

TO: Conference Committee on CSSB 1 and CSHB 500

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 Stan Kitzman
The Honorable Angela Orr
The Honorable Armando Walle

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 a biennial budget and supplemental budget bill that prioritize the health, safety, and well-being of children in Texas.

But first, we want to express our deep appreciation for key investments that you have already included in both the House and Senate versions of SB 1. The significant investment you have made in overhauling outdated technology in the state's Medicaid and SNAP enrollment system will improve efficiency and ensure the system works more effectively for Texas families. The funding you have provided for Early Childhood Intervention (ECI) enrollment growth will help toddlers with disabilities learn to walk, communicate with their families, or meet other goals. The Legislature's investment in community mental health services for children, including a significant boost in funding for the innovation grants created by SB 26 (88R), will help Texas youth stay healthy and safe. We know that these and other investments in the budget are a result of countless hours of work by you and your staff over the last year, as well as your commitment to responsible stewardship of taxpayer dollars.

As you finalize the budget, we urge you to support the full \$100 million child care investment in HB 500, the proposed funding increase for YES Waiver mental health services in Article XI of CSSB 1, and the other recommendations outlined below.

CSHB 500, Article VII - Texas Workforce Commission (TWC)

- **Support the full \$100 million increase for the state's Child Care Services program in HB 500, the supplemental budget bill, to enable the Texas Workforce Commission to provide approximately 10,000 more scholarships to children of working parents.** The most recent state data show that 95,000 eligible children are on the waiting list for the program due to a lack of available state funding. By making this investment, thousands more Texas parents will be able to go to work, and thousands more Texas children will receive an enriching early childhood education.

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

- **Support funding to sustain the Texas Family First Pilots, which is included in the Senate budget bill and in Article XI of the House budget bill.** The Texas Family First Pilots help keep families together by delivering critical services in Community Based Care (CBC) regions to strengthen families and prevent removals. Programs include evidence-based therapies that help families heal, address trauma, and stay safely together. Without continued funding, many families will lose access to this vital support.
- **Adopt Rider 11 from Article XI of the House budget bill, which amends an existing federal funds maximization rider and ensures DFPS utilizes funding efficiently.** Added direction in this rider gives clarity to DFPS to submit a plan to the federal government to draw down funding for family preservation services. It also directs DFPS to annually report on the use of such funds, including referral tracking and evaluation planning.
- **Adopt Amendment 79 from Article XI of the House budget bill, which clarifies that DFPS can use excess capacity in the Family First Pilots to support a small subset of families.** With added direction, the pilot sites could offer services to help families at risk of entering foster care due to serious unmet mental health needs (particularly those in Joint Managing Conservatorship (JMC) or Refusal to Assume Parental Responsibility (RAPR) cases) and help reunify families of children already in JMC.

Article II - Department of State and Health Services (DSHS)

- **Adopt DSHS Rider 19 in the House budget bill for \$7 million in Strategy B.1.1., Maternal and Child Health to strengthen TexasAIM maternal safety initiatives and reduce maternal mortality and morbidity.** With over 90% of hospitals participating voluntarily, TexasAIM is a popular collaborative project between DSHS and the Alliance for Innovation on Maternal Health (AIM) that has made significant progress in combating maternal health complications and mortality statewide. Increased funding for TexasAIM will ensure that DSHS can continue working with hospitals across the state to provide training and tools to Texas birthing hospitals to prevent common maternal health complications.

Article II - Health and Human Services Commission (HHSC)

Children's Mental Health

- **Adopt HHSC Rider 75 from Article XI in the House budget bill for almost \$13 million over the biennium to increase funding for the Youth Empowerment Services (YES) Waiver.** The YES Waiver effectively supports youth with complex mental health challenges through specialized therapies and supports that prevent out-of-home placements and ensure youth remain with their families. Unfortunately, the number of Texas children served in the program is falling, even as demand rises. There's been a sharp increase in families asking for YES Waiver services, with 3,109 inquiries in FY 2023 — a 43% increase since 2021.¹ However, during the same period, the number of children enrolled dropped

¹ Health and Human Services Commission. (2023). *YES inquiry data and number served*. [Unpublished data].

by 19%, and only 2,227 children received services, which means that nearly 900 children were left waiting for services.² The YES Waiver lost 386 providers between 2020 and 2023, with numbers continuing to decline, partly due to financial challenges and low funding levels.³ Both the House and Senate budget bills decrease YES Waiver funding by \$1.6 million compared to the last biennium, not meeting HHSC's legislative appropriation request for additional funding to serve more children. The additional \$13 million investment in the YES Waiver is critical for recruiting providers to the program and serving more children with complex challenges across the state.

- **Adopt the \$281 million funding level for Strategy D.2.1 - Community Mental Health Services for Children in the House budget bill, including Rider 40 in the House budget bill for \$72 million for youth mobile crisis outreach teams (YCOT).** Community-based mental health care for youth helps reduce juvenile justice involvement, relinquishment, and preventable emergency room visits. In 2023, the Legislature funded state grants to some local mental health authorities to operate YCOTs, designed to address the immediate needs of youth facing crisis and provide up to 90 days of support. Current funding supports eight total teams, including three prioritizing children involved in DFPS. Yet, large portions of the state are untouched or have limited access to crisis stabilization. The House budget bill's increased investment in YCOT will enable more youth and families to access crisis services in more areas of Texas.
- **Adopt HHSC Rider 100 from Article XI of the House budget bill for \$21 million over the biennium to expand Multi-Systemic Therapy (MST) for high-risk youth.** MST focuses on youth with serious mental health challenges, enhancing family and school outcomes. Studies have shown that 86 percent of children at risk of entering foster care who receive MST targeted to help families involved with Child Protective Services remain at home and avoid placement in the foster care system.⁴ 22 MST teams operate in Texas. About 7,000 Texas youth and families could benefit from MST services, but increased investment is needed to implement enough MST teams to meet this need.⁵

Maternal & Child Health

- **Adopt HHSC Rider 50 in the House budget bill, which clarifies that within the appropriations for Strategy, D.1.1., Women's Health Programs, \$20 million is for community organizations to maintain and expand Women's Preventive Mobile Health Units.** The existing women's preventive mobile health units increase access to the Healthy Texas Women and Family Planning Program in rural and underserved areas of Texas, and this builds on the initial investment of \$10 million from the last session.
- **Adopt HHSC Rider 8 in the Senate budget bill, which provides a \$1,500 Medicaid add-on payment for labor and delivery services provided by rural hospitals.** Both the

² Id.

³ Children's Behavioral Health Strategic Plan

<https://www.hhs.texas.gov/sites/default/files/documents/childrens-behavioral-health-strategic-plan-2024.pdf>

⁴ MST Services. Keeping Children Out of Foster Care and at Home with Family. (2022).

<https://info.mstservices.com/blog/foster-care#:~:text=Multisystemic%20Therapy%20Helps%20Prevent%20Out%2DOf%2DHome%20Placements&text=MST%2DCAN%20is%20an%20evidence.person%20being%20maltreated%20%E2%80%93%20the%20child.>

⁵ Meadows Mental Health Policy Institute, July 31, 2024 Testimony to the House Youth Health and Safety Committee.

https://mmhpi.org/wp-content/uploads/2024/05/Multisystemic-Therapy-MST-for-Texas-Youth_June-2024-2.pdf.

House and Senate budgets reflect a desire to prioritize funding for labor and delivery services in rural areas. The Senate budget bill's higher investment is urgently needed to help prevent rural hospitals from closing their labor and delivery units and ensure that services and staff are available for women giving birth.

- **Adopt HHSC Rider 67 in the Senate budget bill for \$38 million for the rural hospital grant program.** This funding is crucial for rural hospitals in Texas to improve their financial stability, enhance health care services, increase access to maternal care services, and improve recruitment and retention of the physician workforce.
- **Adopt HHSC Rider 131 in the House budget bill for \$55 million each fiscal year to cover the state share of administrative costs associated with implementing the Summer EBT program in 2026.** With 1 in 4 Texas children experiencing hunger, Texas has the highest number of children experiencing hunger in the nation. The USDA estimates that 3.75 million Texas children could receive approximately \$450 million in federal food aid through Summer EBT. These dollars also provide a significant boost to retailers and the local economy, particularly for small businesses in rural communities. Child hunger spikes in the summer because millions of children lose access to the school breakfasts and lunches they receive during the regular school year. Summer EBT is a brand-new USDA program that allows low-income families with school-aged children to receive benefits when schools are closed for the summer. Summer EBT benefits are 100 percent federally funded, and administrative costs are split 50/50 between state and federal funds.

Article IV - Texas Indigent Defense Commission (TIDC)

- **Fully fund the \$47.5 million exceptional item that TIDC requested for family protection representation in Article XI of the House Budget.** Last session, the Legislature passed SB 2821 with near-unanimous support, authorizing TIDC to fund legal representation for parents and youth in CPS cases. This session, we appreciate the House's recognition of this priority by amending the TIDC rider to prioritize grants for legal counsel during CPS investigations, before a child is removed. However, no funding has ever been appropriated for this purpose. We urge the conference committee to fix this error and support this critical program to address attorney shortages and ensure early appointment of counsel in CPS cases.

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 rubin@txchildren.org or contact our Policy Director, Adriana Kohler, at akohler@txchildren.org.

Sincerely,

Stephanie Rubin, CEO

Adriana Kohler, Policy Director