

Summary of House Bill 1 - Engrossed and Senate Committee Substitute

Appropriations for FY 2012-2013

This document includes a summary and comparison of funding levels for selected programs used by people with developmental disabilities. The comparison is of House Bill 1 as Engrossed (ENG), which is the budget passed by the Texas House of Representatives on April 3, 2011, and the Senate Committee Substitute of House Bill 1 (SCS), which was passed by the Texas Senate Finance Committee on April 21, 2011. The tables in this document refer to the amounts in the House Budget in the column labeled “ENG” and the amounts in the Senate Budget in the column labeled “SCS.” Dollar amounts are denoted with “m” for millions and “b” for billions. The expected caseloads are listed, only where applicable as some programs do not list caseloads, and are reported as either an average daily*, monthly†, or yearly‡ caseload.

Texas Education Agency (TEA)

Public Education Funding: Funding for public education in Texas is allocated through TEA’s budget. However, the amount each public independent school district receives is dependent upon formulas that are established in statute by the Texas Legislature. The amount of funding available for public education is also dependent upon the amount of local revenue raised from property taxes. Several legislative proposals, separate from HB 1, would change the requirements

imposed on individual school districts by the state to reduce the cost of education provided by each district. There is approximately \$7.8b less in education funding in HB 1 than current funding levels. The Texas Tribune has an interactive table of projected ISD funding cuts: <http://bit.ly/gc3gn8>.

TEA Program	Proposed Funding		
	FY 10-11	ENG	SCS
Public Education	\$22b	\$22b	\$25b
Early Childhood School Readiness Program	\$15m	0	\$15m
Prekindergarten Early Start Grant Programs	\$25m	0	0
Special Education FTEs	128,471	108,913	108,913
Percentage of Students with Disabilities who graduate HS	94.6%	77%	77%

Early Childhood School Readiness Program:

This program provides an educational component to public pre-kindergarten, Head Start, university early childhood programs, or private non-profit early childhood care programs that have entered into an integrated

program with a public school. The House budget proposal eliminates funding for this program, but the Senate Committee appropriates funds to continue serving over 45,000 students.

Prekindergarten Early Start Grant Programs: Under §29.155, Education Code, the Commissioner of Education is authorized to make grants to expand or implement the number of Kindergarten and Prekindergarten programs. In FY 10 and FY 11, 63,758 students were served by this program but neither budget proposal contains funds for this program.

Additional Considerations: Various legislative proposals are being considered that would adjust the amount of revenue each school district receives based on a variety of different formulas that are used to fund schools. These proposals are being discussed in the committees with jurisdiction over public education and are not included in the budget proposals. Each school district will determine how to respond to anticipated reductions in state revenue for the FY 2012-2013 biennium. Although special education services are not addressed specifically, any reductions to public education funding will impact students with disabilities in public school.

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Department of Aging and Disability Services (DADS)

Medicaid Waiver programs – Both budget proposals significantly reduce funding for Medicaid community waiver programs. However, the number of people served in these programs will remain at August 2011 levels, which are higher than the average monthly caseload for the current biennium. Because the amounts available to fund those programs are less, the agency will have to find ways to contain costs in the programs, including reducing provider reimbursement rates. The budget proposals include instructions to the agency to conduct “utilization review” in waiver programs, which may reduce the amount of services received by waiver participants. Specific directions to cap or eliminate certain waiver services were not included in the budget. Interest lists for these programs will continue to grow.

MR Community Services – Funding for these community “safety net” services provided by local authorities is level-funded in the House version of the budget. However, no additional funding is appropriated to expand the program, which may result in a slight decrease of people served during the biennium as a result of attrition. The Senate Committee Substitute significantly reduces funding for this program and reduces the number of people who receive MR Community Services. This reduction is due to an expansion of the Texas Home Living program, which the Senate Committee recommended in lieu of continuing to serve those individuals with MR Community Services.

In-Home Family Support (IHFS) – Funding for IHFS is level funded in both budget proposals. This program provides needed support to families who would otherwise turn to institutional services for their family members with intellectual disabilities.

Promoting Independence Services – Funding for these services is decreased in the House budget proposal, and fewer individuals will receive these services. The Senate Committee proposed additional funding to provide services to more individuals. Promoting Independence Services funds allow individuals to transition from institutions into community waiver programs.

ICF/MR Services – Both budget proposals contain fewer dollars for this program that would serve slightly fewer people. The reduction in the number of people served will not encompass the total dollars reduced in the budget. Therefore, DADS will need to reduce provider reimbursement rates to stay within that amount and some providers will likely cease to participate in the program.

DADS Program name	Proposed Funding		
	FY 10-11	ENG	SCS
Medicaid Waiver programs	\$3.02b	\$2.09b	\$2.96b
	52,335†	53,347†	59,937†
MR Community Services	\$204m	\$204m	\$39.4m
	12,725†	12,612†	1,980†
In-Home Family Support	\$9.97m	\$9.97m	\$9.97m
	5,491†	5,375†	5,375†
MR In-Home and Family Services	\$11.4m	\$11.4m	0
	3,060†	3,060†	0
Promoting Independence Services	\$236m	\$169.9m	\$265m
	6,301†	6,752†	7,752†
ICF/MR	\$653m	\$436.1m	\$594.1m
	6,063†	5,766†	5,766†
State Supported Living Centers (SSLC)	\$1.288b	\$1.07b	\$1.288b
	4,338†	3,713†	3,713†

Additional considerations: The House budget proposal includes a rider that directs DADS to close one State Supported Living Center and integrate those resources into the community and reduces funding proportionately. The Senate Committee proposal does not reduce funding to SSLCs and does not direct DADS to close any facilities.

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Department of Assistive and Rehabilitative Services (DARS)

Early Childhood Intervention Services (ECI) – ECI provides services to children with developmental delays that assist eligible children to gain skills or improve development. Both the Senate Committee and the House budget proposals underfund ECI services. As a result DARS will need to change eligibility rules in order to reduce the number of children in the program. The Senate Finance Committee also included directions to DARS to increase the number of hours of direct service children receive per month. This would result in narrowing eligibility further, and DARS would serve less than the projected number of children listed in the SCS. Children who do not receive adequate early intervention will likely require more costly services later in life, provided through special education, Medicaid, etc.

DARS Program name	Proposed Funding		
	FY 10-11	ENG	SCS
Early Childhood Intervention Services	\$373.9m	\$322.1m	\$342.1m
	32,245+	27,706+	26,052+
Autism Program	\$6.6m	\$6.6m	\$6.6m
	180‡	180‡	180‡
Vocational Rehabilitation	\$456.7m	\$409.6m	\$421.8m
	88,024‡	82,636‡	85,187‡
Independent Living Centers	\$5.4m	\$3.8m	\$5.3m
	6,632‡	4,782‡	6,632‡
Independent Living Services	\$14.2m	\$13.4m	\$13.4m
	1,785‡	1,890‡	1,890‡
Comprehensive Rehabilitation	\$34.4m	\$34.2m	\$34.4m
	583‡	426‡	428‡

Autism Program – The DARS Autism Program provides intensive, evidence-based treatment to children age 3-8 with a diagnosis of Autism Spectrum Disorder. Both budget proposals fully fund the Autism Program.

Vocational Rehabilitation - The Vocational Rehabilitation (VR) Program helps people with physical or mental disabilities prepare for, find or keep employment. Both versions of the budget reduce funding for the VR program which also reduces the number of people served, resulting in fewer people who gain successful employment.

Independent Living Centers (ILCs) – The proposed budget for Independent Living Centers does not allow the current network of ILCs to maintain current levels of services. The SCS directs DARS to reduce funding amounts at all ILCs proportionately in order to prevent closure of any ILC in the state.

Independent Living Services – Neither version of the budget fully funds the Independent Living Services program. The agency, however, is expected to serve slightly more individuals in the two-year biennium. In order to achieve this, DARS will reduce annual service budgets for individuals in the program, resulting in fewer services provided.

Comprehensive Rehabilitation Services (CRS) – Individuals with a traumatic brain injury or spinal cord injury can receive post-acute rehabilitative services in the CRS program. The House version of the budget reduces funding slightly to the CRS program. With less funding, DARS would establish a waiting list for the CRS program which would limit the ability to provide time-sensitive rehabilitative services to people who need it in order to avoid institutional services.

Additional considerations: DARS' evaluation of the ECI program determined that the amount of direct service hours currently received by ECI children is not sufficient for desired outcomes. Currently, children in ECI receive approximately two hours of direct service per month.

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Department of Family and Protective Services (DFPS)

Child Protective Services programs (CPS) – The House Engrossed version of HB 1 maintains caseloads for the foster care, adoption subsidy, and permanency care assistance programs. The House funding levels for the 2012–13 biennium also include: a one percent reduction for foster care, adoption subsidy, and permanency care assistance payments; a reduction for one-time foster care rate increases; reductions for purchased client services; and increases for direct delivery staff and foster care redesign. The House budget also reduces the number of CPS staff by 184.5. The Senate Committee substitute funding for 2012–13 provides for caseload growth in the

foster care, adoption subsidy and permanency care assistance programs. If caseloads grow more than what is appropriated, then CPS staff will not be able to devote the necessary time and effort to ensure all of the children on their caseloads are safe from abuse and neglect.

Prevention programs – The House Engrossed version of HB 1 funding for 2012–13 biennium includes a 32.4 percent reduction for the Services to At-Risk Youth (STAR) program, the Community

Youth Development program, and the Texas Families program. These funding levels also include a 45 percent reduction for program support for the 2012–13 biennium and eliminate other at-risk prevention programs. FTEs are also reduced by 14.5 in fiscal year 2013, as compared to fiscal year 2011. The Senate Committee substitute includes an increase in General Funds for 2012–13 that is more than offset by a decrease in Federal Funds. The overall funding decrease includes a 32 percent reduction for the Texas Families program, a 60 percent reduction for other at-risk prevention programs, and a 45 percent reduction for program support. FTEs are also reduced by 14.5 in fiscal year 2013 compared to fiscal year 2011. Prevention programs are designed to provide assistance to families so that children are not removed and placed in conservatorship. Without adequate funding for prevention programs, more children will be removed from their families and placed in foster care.

Adult Protective Services programs (APS) – The House budget proposal slightly reduces funding for APS, which would result in less timely case closures and processing. The Senate Committee substitute funding levels for 2012–13 include a decrease in General Revenue Funds that is more than offset by an increase in Federal Funds. The overall funding increase will allow the agency to contract for legal staff to improve the timeliness of due process cases. FTEs are reduced by 21 in fiscal year 2013 compared to fiscal year 2011 due primarily to maintaining base funding levels. APS MH and MR investigators have the ability to provide emergency services to persons receiving Home and Community-Based Service Waiver (HCS) services to protect a client from serious harm or death. Services may include paying an electric bill or fixing a window so the client can remain in their own home.

Child Care Regulations – The proposed funding levels for 2012-2013 include a reduction for child care inspections, which may result in lower quality of care in child care settings.

DFPS Program name	Proposed Funding		
	FY 10-11	ENG	SCS
Child Protective Services	\$2.3b	\$2.2 b	\$2.3b
Prevention Programs	\$88m	\$57.4m	\$73.4m
Adult Protective Services	\$134.4m	\$132.8m	\$135m
Child Care Regulations	\$68.7m	\$64.6m	\$66.6m

Additional considerations: DFPS is charged with protecting *all* children and adults from abuse, neglect and exploitation, including individuals with disabilities. Therefore, the budget does not reduce the number of children or adults served through DFPS. With less funding to serve the same or more people, DFPS will be forced to increase caseloads of its employees, which may negatively impact the quality of services provided.

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Department of State Health Services (DSHS)

Adult Community Mental Health (CMH) – Through the mental health block grant, DSHS contracts with 38 local community mental health centers to provide services across Texas. The House budget reduces local services by 20% while the Senate Finance Committee proposal cuts funding by 4.5% but expects centers to serve the same number of clients. At the end of 2010, 10,000 people were on waiting lists for adult community MH services. Both versions of the budget include a new requirement that local authorities identify offenders with special needs, however additional funding for these new activities is not included. These reductions will result in an increase in adults with serious mental illness and/or intellectual disabilities in jails, state hospitals and emergency rooms.

DSHS Program Name	Proposed Funding		
	FY 2010-11	ENG	SCS
Adult Community Mental Health	\$578.9m 52,484†	\$462.9m 48,705†	\$553.1m 52,484†
Mental Health Crisis	\$164.8m 12,834†	\$169.7m 13,491†	\$164.9m 12,834†
Children’s Community Mental Health	\$132.9m 22,785‡	\$121.4m 22,785‡	\$130m 19,073‡
Mental Health Hospitals	\$839.1m 2,477*	\$805.4m 2,377*	\$890.8m 2,629*
Children with Special Health Care Needs	\$83.5m 2,478†	\$71.3m 1,800†	\$71.3m 1,800†

Mental Health Crisis – This program funds crisis hotlines, emergency psychiatric stabilization, peer support services and mobile crisis outreach teams that help prevent suicide and hospitalization. The lack of MH crisis services forces local police departments to jail or transport people in crises to local emergency rooms. The House proposed increasing funding for MH Crisis services slightly, while the Senate Committee’s proposed budget continues funding for MH Crisis services at current levels.

Children’s Community Mental Health (CMH) – The House budget proposal reduces funding for Children’s CMH by 9% and the Senate Committee’s proposal reduces funding by 1.6%. Currently, only one out of five children who need CMH services receives them. As a result of these budget reductions, even fewer children with serious mental illness will receive treatment and may require hospitalization or more expensive services.

Mental Health Hospitals – Texas has eight state-operated psychiatric hospitals, one pediatric psychiatric facility, and five community-based psychiatric hospitals that all receive state funding. The Senate budget proposal increases funding for these facilities while the House proposal reduces funding for MH hospitals. The House also proposes to reduce hospital demand by funding \$10 million in Community Mental Health services to create “step-down” units. Also, the budget reduces reimbursements for acute care hospitalizations and would privatize one state mental health hospitals.

Children with Special Health Care Needs – This program serves children who are not eligible for CHIP or Medicaid and who have significant health care needs, including chronic physical, developmental, behavioral, or emotional conditions. Both the Senate Finance Committee and House budget proposals eliminate services for 720 children currently receiving services in the program. The proposals specify that DSHS will serve only the most medically fragile children with the funds appropriated for the program. Children who cannot access CSHN will be put on a waiting list for the program, which currently has 1,422 children registered.

Additional Considerations: The House Committee included directions to DSHS to develop a Comprehensive Suicide Prevention Program for public school students in middle and high school. Funding for transitional housing with supports was not included in the budget as proposed.

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Department of Housing and Community Affairs (TDHCA)

Housing Trust Fund: The Housing Trust Fund was established by the 72nd Legislature to create affordable housing for low and very low income individuals and families. It currently funds seven programs including the Amy Young Architectural Barrier Program, Bootstrap Loan, and Veterans Housing Support. Both budget proposals cut funding to this program by 50%.

TDHCA Program	Proposed Funding		
	FY 10-11	ENG	SCS
Housing Trust Fund	\$22m	\$11.7m	\$11.7m
Homeless Housing Program in 8 Urban Areas	\$20m	\$0	\$0

Homeless Housing: The budget proposals eliminate \$20 million that is distributed among Texas' eight largest urban areas to help address homelessness. Studies show that people with disabilities are over-represented within the homeless population. They are more likely to have repeated episodes of homelessness and remain homeless for longer periods of time. Local shelters, jails and emergency rooms will be burdened by the loss of funding for homeless services. Another legislative proposal (SB 1570) authorizes the use of \$20 million from the Texas Enterprise Fund for homeless housing and services. The two versions of the budget have different amounts dedicated to the Texas Enterprise Fund, but it is expected that sufficient funding will be appropriated to that fund in order to fund homeless housing and services, contingent upon passage of separate legislation.

Additional Considerations: Because Texas Government Code requires \$3 million per year be available through Texas Housing Trust Fund for the Bootstrap Loan program, the budget if passed as proposed (in either version) will mean only \$5.7 million per year is available for the remaining six housing programs. Additional legislation (SB 1838) would transfer 20 percent of the amount appropriated in the Housing Trust Fund – or \$2.34 million – to the Veteran's Commission. Taken together, only \$3.36 million would be available for the other six housing programs, including the Amy Young Architectural Barrier Removal Program.

Current Texas Budget versus Legislative Proposals			
All figures are in \$ billion dollars	General Revenue (GR):	Federal Funds	Budget Totals
Current Budget (FY10-11)	\$114.9	\$72.6	\$187.5
House ENG	\$111.3	\$53.2	\$164.5
Difference	(\$3.6)	(\$19.4)	(\$23)
Senate SCS	\$120.4	\$56.1	\$176.5
Difference	(\$5.5)	(\$16.5)	(\$11)

Summary: The House version would spend a total of \$164.5 billion. Senate Finance's version totals \$176.5 billion. The current budget totals \$187.5 billion. The Senate's biggest cuts, compared with current spending, come in health and human services, which would get \$7.8 billion less. The Senate version of the budget makes smaller cuts in Medicaid reimbursement rates than the House, provides \$200 million more for mental health services, and restores proposed cuts to foster care programs. It puts \$4.3 billion more into public schools, \$400 million more for textbooks and makes smaller cuts to teacher retirement and health plans than the House.