

Travis County Health and Human Services and Veteran's Service

Local Impact of Proposed Cuts for the 2012-2013 Biennium

This table shows substantial direct service cuts in the Committee Substitute for HB1, SB1 and the Governor's budget to HHSC, DFPS and TDHCA, the programs of which correspond to areas of Travis County HHS/VS services, and the likely local impact of such reductions. Note that the Governor's Budget, with the exception of a number of broad points regarding consolidation and other "revenue considerations" does not specify what programs or services will be cut within agencies. Federal cuts noted here reflect cuts to federal-to-local funding streams in the President's FY 2012 budget, as the House and Senate are still working on a continuing resolution to fund the remainder of FY2011. This table will be updated as federal FY 2012 budget information becomes available. Note that statements regarding local impact are speculative and that this document is a work in progress.

State Agency	Affected Program & Strategy	HB 1 Committee Substitute [Statewide]	SB1 [Statewide]	Governor's Budget	Federal- to Local - Funding Cuts	Estimated Local Impact
HHSC				Cut by 27% or \$5,821 M. [\$~4,900M are federal and the remaining \$900 M are GR funds]		No program within HHSC is designated in the Governor's budget.
	HHSC Medicaid ¹ : II-73, B.1.1 through B.4.2	<p>Total reductions of \$5,012 M or 14%. The only specific mechanism listed with a dollar amount is Children and Medically Needy which will be cut by \$450 M or 11%.</p> <p>Floor Amendment 59 further reduces the Medicaid program expenditures by \$56 M each fiscal year of the biennium for strategy B.2.1: Cost Reimbursed Services.</p> <p>Floor Amendment 60 increases strategy B.1.4.: Children and Medically Needy - by \$56 M for each fiscal year of the biennium.</p> <p>Floor amendment 148 adds rider to II-97: if HB 670 [workplace/public places smoking ban and fines] is implemented, savings</p>	Reduce by \$9,345 M or 26%, with an anticipated improvement in the FMAP, yielding \$1B in GR revenue			<p>As of August 2010, there were 124,086 Medicaid eligibles in Travis County. It has been estimated that reductions to provider rates will result in only 42% of physicians statewide willing to accept Medicaid patients^{2, 3}.</p> <p>There will be an increase of 50,000 Travis County residents to the Medicaid rolls by 2014 via the implementation of federal healthcare reform. This increase in demand, in addition to reducing the number of available providers, may reduce services available and increase ER use and hospital admissions.⁴</p> <p>The local impact of HHSC Medicaid cuts in the HB 1 Committee Substitute is difficult to estimate, as savings yielded by reduction mechanism are not listed in the bill itself. Reduction mechanisms are listed and include but are not limited to payment reforms as well as service monitoring and utilization management. These mechanisms may reduce the availability of certain services. Floor amendment 59 and 60 will mitigate Medicaid cuts affecting children and the medically needy. Floor amendment 148 will provide</p>

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		resulting [\$31M over the biennium] will go toward funding Medicaid.				<p>additional funds to the state Medicaid program.</p> <p>If the cuts in SB 1 are implemented, Travis County will lose \$136 M through provider reimbursement rates, \$358 M through non-replacement of stimulus funds, and \$150 M in lack of funding for caseload growth.</p> <p>Austin Groups for the Elderly report that losing 10% in reimbursement rates will cost the agency \$60,000 over the biennium and will increase calls to their Caregiver Resource Center. Agency officials report that if Medicaid services are not readily available [perhaps waiting lists grow due to docs dropping out of the program], caregivers may leave their loved ones home unattended or may institutionalize them, which will presumably increase state Medicaid costs.⁵</p>
	TANF, II-74, D.1.1	Reductions of 9% or \$26 M: Stimulus TANF Emergency Contingency. Funding will not be replaced and a grant program on abortion alternatives will be paused. [Note added 4/6/11: Floor Amendment 18 restores Alternatives to Abortion (D.2.2 in the amount of \$4,150,000 per year in the biennium]	Same as CSHB 1 except a greater proportion of the reductions come from federal funds than from GR. Abortion alternatives grant funding continued.			As of January 2011 there were 98,000 recipients statewide, 58% of which are 17 and under. Average payments per case total \$296. As of March 28, 2011, no local TANF statistics are available. ⁶
	CHIP, II-73, C.1.1-C.1.5	Reduced by \$125M or 6%: reductions include 10% provider rate reduction (savings of \$56M in GR funds), newly available federal matching funds for legal permanent residents and school employee	Same as CSHB 1.			As of March 2011, there were 15,320 children enrolled in CHIP in Travis County.

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		children, shifts in caseloads, including a decline in CHIP caseloads due to new federal guidelines re: the CHIP Perinatal program.				
DFPS	Child Protective Services: II-33, B.1.1 through B.1.13	A 0.5% increase or \$12 M. ⁷ Floor amendment 17 (3) and (4) also imposes caseload limits of 18 for family-based safety services and 21 for investigations.	Reductions of 7% or \$166 M – includes: the non-replacement of one-time ARRA funds for FMAP, CCDBG ⁸ and TANF; a 1% reduction for foster care and other payments ⁹ .	Cuts of 10% or \$143 M. Most of this reduction is in federal funds.		In 2010, Travis County CPS performed 12,567 initial intakes and of these, 10,066 cases were assigned for investigation. In the same year, there were 31 foster homes and 25 adoptive homes in Travis County. Local impact of SB 1 cuts will include the increase in caseworker's caseloads, which will impact services negatively. ¹⁰ A local service provider- Settlement Home for Children- reports that they expect a 12% reduction to foster care reimbursement rates which they say will result in a loss of eight available beds for residential care. ¹¹ Austin Children's Shelter anticipates losing 1,000 shelter bed days due to the DFPS cuts. ¹²
	Prevention and Early Intervention Services, II-34, C.1.1 through C.1.6	Reduced by 45% or \$40 M: includes a 32% reduction for STAR [c.1.1] and the Community Youth Development program [C.1.2], as well as 45% reduction for program support and eliminate other at-risk prevention programs Floor Amendment 68 (2) restores STAR funds [C.1.1] by \$4.5 M each year over the biennium.	Reductions of 40% or \$35 M			Community Youth Development served 1,550 local youth for \$266,000 in 2010; the STAR program served 700 youth and their families in 2010 for \$580,000. Local impact of fewer prevention services is possibly that more children will be removed from their homes and placed in foster care. ¹³ If cuts were implemented across the board at an average rate of reduction of the two bills (42.5%), 659 fewer youth would be served by Community Youth Development and 298 fewer youth would be served under STAR. CSHB 1 Floor amendment 68 restores \$9M in STAR funding, which will restore an estimated 25% of services described under this program above.

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		Floor Amendment 129(b) and 177 (b) restores the total for Strategy C to 10-11 levels [\$46 M per year over the biennium]				CSHB 1 Floor amendment 129 and what appears to be a duplicate –Floor amendment 177 -restores this entire category of services to 10-11 levels.
TDHCA				Reductions of 85% or \$1,047 M plus \$1,061 in Federal Funds. Consolidation ¹⁴ proposed may result in delays or backlogs in services and a need for increased staff for local administration of CEAP and WAP. ¹⁵		
	Housing Trust Fund VII-1, A.1.3	Total reductions: 47% or \$ 10.3 M [all GR]	Same as CSHB 1			Eight [8] Travis County households received these funds in 2010 for a total local allocation of \$52,026.22. These funds help low income families purchase or rehab affordable homes. In 2009, TDHCA granted Housing Trust Funds to Community Partnership for the Homeless [a TCHHS/VS contractor] in the amount of \$250,000 to assist 24 Travis County veterans through the TDHCA Veteran's Housing Support Program, which provides rental subsidies to low-income veterans.

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	HOME Funds VII-1, A.1.2	Reduced by 89% or \$740 M	Same as CSHB 1		President's FY 12 budget shifts fiscal responsibility for Section 811 Mainstream Voucher Program to TBRA program (\$114 M)	HOME funds help low-income communities build, buy, and/or rehab affordable housing for rent or homeownership and provide rental assistance to low-income people. The City of Austin received \$4.5 M in HOME funds in 2010. While Travis County does not receive these funds directly, TC HHS/VS subcontracts with the Travis County Housing Finance Corporation [TCHFC] to provide Tenant Based Rental Assistance [TBRA]. TCHFC served 19 households in FY10 with an allocation of \$140,641 in TBRA funds. Local impact of transfer of voucher program [proposed in Governor's budget] is unclear.
	Poor and Homeless Programs, VII-2, C.1.1 and C.2.1	Total reduction is \$576 M or 74%. This includes total elimination of the Homeless and Housing Services program [\$20 M] and an 80% reduction [or \$474 M] in energy assistance programs, such as WAP and CEAP.	Same as CSHB 1		President's FY12 budget returns LIHEAP funding to 2008 levels (-50%). No cuts to CEAP in President's 2012 budget.	These monies provide case management and housing retention services for homeless persons and weatherization services as well as heating, cooling and home energy assistance for low-income individuals and families. <ul style="list-style-type: none"> The number served with the local Homeless and Housing Services Program \$1.9 M allocation totals 1,142 in the period of 2/10 through 8/11.¹⁶ TC HHS/VS received \$4,718,617 in FY10 in CEAP funds. Service numbers are forthcoming. In FY10, TCHHS/VS received DOE WAP funds in the amount of \$169,371 and served 43 households and LIHEAP WAP funds in the amount of \$598,300 and served 93 households. Very recently, TC HHS/VS received an additional stimulus allocation for these programs so impact of federal cuts may be delayed.
	Decrease/Expiration of ARRA Funds	\$1.1 B that was used for Homeless Prevention, Tax Credit Assistance, Housing Tax Credit Assistance Program, Housing Tax Credit Exchange Program, Weatherization Program and Community Service Block Grant Program will not be available				Local allocations for these funds are unknown but the impact of the loss of these funds will be increased pressure on low-income families and the agencies that serve them.

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	Loss of Federal MOE due to state cuts	Cuts in Federal Funds of \$1.2B or 91%. Funds lost due to lower state allocations toward manufactured housing inspections, CDBG disaster funds, the National Foreclosure Mitigation Counseling Program, Low-income Home Energy Assistance and Alternative Housing Pilot Funds.	Same as CSHB 1			Local allocations for these funds are unknown but the impact of the loss of these funds – particularly for foreclosure counseling and energy assistance – will be increased pressure on low-income families and the agencies that serve them.
	CDBG				President's FY 12 budget – cut by \$299M or 8%	TCHHS/VS received \$942,749 for 10/11 through 9/12 in CDBG funds. Note that TCHHS/VS receives its CDBG funds directly from the Feds. House proposals have far exceeded the 8% cuts proposed by the President.
Texas Veteran's Commission	Various, I-81, A1.1. through A.1.5	Proposes a decrease of 7% or \$6 M in all funds over 10-11 budget. -Floor Amendment 4:\$2M in unexpended revenue from the Office of the Attorney General to be transferred to TVC -Floor Amendments 8 (2) and 9 (2): \$1M total over biennium in GR allocated to strategy A.1.1. Claims Representation and Counseling -Floor amendment 142 inserts the rider: use TVC appropriations in CSHB1, A.1.3 to establish and administer Veteran's Resource Centers at Higher Ed institutions throughout the state.	Reductions of \$2.8 M or 20% reduction in GR funds. All funds will be cut by 7.2% or \$3.4 M.	Cuts In all funds of \$3.8M or 15%	FY 12 President's budget: cuts \$6M from Veteran's education, \$216 M from Veteran's pension program	Services include claim representation, employment services, education services, outreach and marketing and grants for recently separated veterans within the state. House Bill 1 Committee Substitute: State cuts will result in 13 fewer counselors to help veterans apply for benefits. ¹⁷ -CSHB 1 Floor Amendment 10(b): \$1.2 M for strategy B.1.14 Combat Tuition Reimbursement –replaces zero funding. Note: This is not a TVS program but is an Article III strategy but will affect our statewide Veteran population. -CSHB 1 Floor amendment does not make a new appropriation but is asking TVC and institutions of higher ed to implement programs without allocating funds. Senate Bill 1 cuts impact: Twenty-two counselors will be cut. ¹⁸ Over the biennium, locally, an estimated 3500 fewer claims will be filed on behalf of eligible veterans, thereby denying the local economy \$23 M in benefits that would have gone to these veterans and their families. This will result in a loss of \$780,000 in state sales tax. ¹⁹

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General Land Office and Veteran's Land Board	Various Loan Programs, VI-24, C.1.1 through C.1.3	All funds cut by 20% or \$10 M for Veteran's Land Board functions. This includes a 44% or \$10.3 M cut to a Corpus Veteran's Cemetery and a \$380 K cut to a program supporting Veteran's State Homes. Rider 4 makes supplemental appropriations of \$14.4 M to the Veteran's Land Program, Veteran's Housing Assistance Program, State Veteran's Homes and Veteran's Cemeteries.	Cuts of \$10.7 M or 20% cut in Veteran' Land Board functions though the only direct service cuts are to a Corpus Christi veteran's cemetery.	Cuts \$43 M in all funds and "transfers \$4M for veteran's housing programs" under the agency but does not specify to where		Cuts in either bill not likely to have a significant local impact. Impact of Governor's proposed cuts unclear.

¹ Medicaid is a multi-agency program. Cuts reflected here are those under HHSC only.

² Estimates from the Texas Medical Association. Same study in 2000 revealed that 67% of physicians were willing to accept Medicaid patients.

³ The Center for Public Policy Priorities, *Policy Point: Overview of HB 1 for 2012-2013*, February 18, 2011.

⁴ Austin Travis County Integral Care, "Preparing for Healthcare Reform", *Focus*, http://www.integralcare.org/ama/orig/publications/2010/10_fall_focus.pdf, (accessed December 23, 2010). Texas Healthcare Association, "Medicaid Rate Cuts Will Undermine Care", June 30, 2010, http://www.redorbit.com/news/health/1886822/texas_health_care_association_medicaid_rate_cuts_will_undermine_seniors/, (accessed December 23, 2010).

⁵ One Voice Central Texas, "Examples of Anticipated Impact of Proposed State Cuts on Travis County NonProfits", March 2011.

⁶ Email from Stephanie Goodman, PIO, HHSC to Elizabeth Vela, March 28, 2011.

⁷ This area is shaded with pink because the CS actually calls for an *increase* from the 10-11 biennium.

⁸ Child Care Development Block Grant

⁹ These rate cuts are in addition to 5% cuts made in 2010, according to the House Research Organization's Report "Fiscal 2012-2013 State Budget: Background on the Issues", p. 18.

¹⁰ Texas Council for Developmental Disabilities, "HB 1/SB 1 Summary", http://www.txddc.state.tx.us/public_policy/budgetsummary.pdf, accessed 3/15/11.

¹¹ One Voice Central Texas, *Ibid*.

¹² *Ibid*.

¹³ Texas Council for Developmental Disabilities, *Ibid*.

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¹⁴ In addition to cuts proposed by legislature, Governor proposes the consolidation of TDHCA functions to the Texas State Affordable Housing Corp., the Public Utility Commission and the Texas Department of Licensing and Regulation.

¹⁵ Again, note that Governor's budget does not offer reduction amounts at the program level.

¹⁶ Email from Susan Gehring, City of Austin, Manager of Community Based Resources, to Elizabeth Vela, January 5, 2011.

¹⁷ Schwartz, Jeremy, "State veterans commission facing 20% budget cut", *Austin American Statesman*, <http://mo.statesman.com/news/local/state-veterans-commission-facing-20-budget-cut-1350967.html>, Saturday March 26, 2011.

¹⁸ *Ibid.*

¹⁹ The American Community Survey estimates that in 2009, there were 54,670 veterans living in Travis County. Ricardo Sanchez's March 16, 2011 editorial in the *Austin American Statesman* states that there are 1.8 million veterans in Texas and that proposed cuts will result in the statewide, biennial loss of \$760M in benefits and \$26 million in state sales tax.