

# Impact of State Budget Cuts

82<sup>nd</sup> Regular Legislative Session










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July 8, 2011



# Impact of HB1 for 2012-2013 Biennium – Key Areas

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- ▶ **8.1%**  **\$15,153,100,000 OVERALL**
  - ▶ **10.7%**  \$ 516,800,000 General Government
  - ▶ **17.2%**  \$11,271,100,000 Health & Human Services
  - ▶ **1.1%**  \$ 843,900,000 Education (Public / Higher Ed)
  - ▶ **5.3%**  \$ 643,200,000 Pub Safety & Criminal Justice
  - ▶ **13.4%**  \$ 490,600,000 Natural Resources
  - ▶ **5.0 %**  \$ 1,165,500,000 Bus & Econ Development
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# Background

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- ▶ Already **current funding does not meet needs**
- ▶ Less funding available in **time of economic downturn**, increased population, caseloads, inflation, rising costs
- ▶ Due to the great growth in the Central Texas population, even steady funding **does not keep pace with demand**
- ▶ **Cuts to state agency budgets** will impact services provided **directly** to residents in Travis County or through **contracts** to local agencies, institutions, non-profits
- ▶ **Job losses** to State agencies located in Travis County and local state-funded entities
- ▶ **Federal cuts and end of stimulus funding** by August 31, 2011 will exacerbate state and local impacts

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Travis County received over **\$566 Million** in stimulus




# Statewide Impact of HB1 Health & Human Services

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- ▶ **17.2%**  **\$11,271,100,000 Overall HHS**
  - ▶ 29.1%  \$ 3,966,200,000 Aging & Disability Services
  - ▶ 7.2%  \$ 97,200,000 Assistive & Rehab. Services
  - ▶ .3%  \$ 7,600,000 Family & Protective Services
  - ▶ 6.2 %  \$ 380,000,000 State Health Services
  - ▶ 17 %  \$ 6,913,200,000 Health & Human Services
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# Health & Human Services – Key Impacts

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- ▶ 18%  \$ 6,300,000,000 Medicaid
  - ▶ 10%  \$ 225,000,000 Children's Health Insurance Program (CHIP)
  - ▶ 16%  \$ 42,000,000 Temporary Assistance to Needy Families
  - ▶ Numbers served are **exempt** from cuts:
    - ▶ Medicaid 102,552 May 2011 Travis County
    - ▶ CHIP 15,246 May 2011 Travis County
    - ▶ TANF 830 April 2011 Travis County
  - ▶ Provider Medicaid reimbursement **rates will be cut**
  - ▶ Will significantly impact access due to reduction in providers willing to accept **Medicaid**
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# Health & Human Services (cont.)

## General Impacts














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- ▶ Reduces **federal funds** drawn down
- ▶ **Limits access** to healthcare, dental care, hospice, respite, home-based care, day habilitation, early intervention, mental health, substance abuse
- ▶ Significant impacts to **family planning**
- ▶ Significantly impacts care for aging, children, and other persons with **special needs** and **medically dependent**
- ▶ Reduces **public health** education, immunizations, vital records certification
- ▶ Will **increase waiting lists**, ER use, hospital admissions, institutionalization
- ▶ Cuts will **impact federal health reform** implementation with likely increase of 50,000 in Medicaid rolls by 2014 in Travis County

# Health & Human Services



## Behavioral Health through ATCIC

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- ▶ Crisis services were level-funded 
  - ▶ \$424 K  (FY 2012), \$549 K  (FY 2013) children's mental health
  - ▶ \$792 K  (FY 2012), \$367 K  (FY 2013) adult mental health
  - ▶ \$129 K  (FY 2012), \$129 K  (FY 2013) substance abuse
  - ▶ \$1 M+  (FY 2012), \$1 M+  (FY 2013) intellectual & dev. dis.
  - ▶ \$203 K  (FY 2012), \$203 K  (FY 2013) early child. intervention
  - ▶ \$ 96 K  (FY 2012), \$ 96 K  (FY 2013) in criminal justice
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# Impact of HB1 - Children & Youth

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- ▶ **3% (\$70 M)**  **DFPS Child Protective Services** for foster care, adoption subsidies and permanency care
    - ▶ In 2010, Travis County CPS performed
      - ▶ 12,567 initial intakes
      - ▶ 10,066 cases were assigned for investigation
      - ▶ 31 foster homes, 25 adoptive homes
  - ▶ **30% (\$26.1 M)**  **DFPS Child Abuse and Neglect Prevention**
  - ▶ **Impacts services to children, youth and their families** - case management, crisis counseling, mentoring, child abuse prevention, short-term residential care
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# Impact of HB1 - Housing

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- ▶ **47% (\$10.3 M)** ↓ Housing Trust Fund for **homebuyer assistance**, barrier removal
  - ▶ **89% (\$740 M)** ↓ HOME funds to **build, buy, and rehab affordable housing**
  - ▶ **74% (\$577 M)** ↓ Poor and Homeless Programs for case management, **housing retention** for homeless, **weatherization**, home energy/**utility assistance**
  - ▶ Texas **Homeless** Housing and Services Program cuts will impact **permanent supportive housing**, mental health/substance abuse counseling, job readiness
  - ▶ **Federal cuts** to Community Development Block Grants (**CDBG**) will further impact public services to low-income
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# Impact of HB1 -

## Public Safety and Criminal Justice

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- ▶ **56% (\$178.1 M)** ↓ Office of Governor grants to schools, nonprofits, local entities for criminal justice programs
- ▶ **1% (\$1.7 M)** ↑ **parole supervision**
- ▶ **2% (\$3.8 M)** ↓ **basic supervision and corrections for misdemeanor probation**
- ▶ **<1% (\$157 K)** ↓ **diversion residential and treatment programs** for offenders in lieu of incarceration
- ▶ **7% (\$5 M)** ↓ **community corrections** for the treatment/rehabilitation of offenders
- ▶ **4% (\$951K)** ↓ **treatment alternatives to incarceration**
- ▶ **7% (\$4.9 M)** ↓ **in-prison treatment for drug/alcohol and special needs**

# Impact of HB1 - Public Safety and Criminal Justice

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- ▶ **2% (\$1.1M)** ↓ **indigent defense, legal representation**
  - ▶ **44% (\$2.1 M)** ↓ **TDCJ academic and vocational training**
  - ▶ **100% (\$9.5)** ↓ **Project Reintegration of Offenders** for job search and placement through Texas Workforce Commission for offenders after paroled from TDCJ
  - ▶ **28% (\$6.6 M)** ↓ **juvenile justice alternative education** for expelled youth w/ focus on discipline, behavior, academics
  - ▶ **95% (\$15.8 M)** ↓ **probation staff training**
  - ▶ **5% (\$1.5 M)** ↓ **automobile burglary/theft DMV grants**
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# Local Impacts of HB1 - Public Safety and Criminal Justice




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- ▶ **Counties burdened** with making up the difference in necessary supervision programs
  - ▶ Sentencing **options restricted**
  - ▶ Increased demands on court system; **backlogged courts**
  - ▶ **Decreased alternatives** to incarceration in jail or prison
  - ▶ Increased jail populations and **overcrowded jails**
  - ▶ Offenders released into community **without basic skills and training** to obtain employment and manage behaviors that lead to re-incarceration
  - ▶ Increased **recidivism** and probation revocations
  - ▶ **Increased crime**
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# Impact of HB1

## Education – 2012-12 Biennial Recs

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- ▶ **1.1%**  **\$843,900,000 Overall Education**
  - ▶ **.2%**  **\$ 125,200,000 Public Education**
  - ▶ **4.3%**  **\$ 969,100,000 Higher Education**
  - ▶ Structural deficits were not addressed and thus public education funding **gaps will continue to grow**
  - ▶ While the amount of public education funding slightly increased, **funding does not keep pace with the increase** in the student population (about 80,000 more students statewide every year) and thus creates a shortfall.
  - ▶ The **shortfall is equivalent to a 6% budget cut** (on avg.) for schools.
  - ▶ August 2013 payments were deferred until the next biennium, thus putting **school districts in the hole in the next time around.**
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# Local Impacts of HB1 Education

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- ▶ **Cuts and job losses** to public education and higher education institutions
  - ▶ Higher **student to teacher ratios**
  - ▶ Challenges efforts to improve **graduation rates**
  - ▶ Reduces **community college benefits/retirement** subsidies that will burden operational budgets
  - ▶ Limits **financial assistance** and **college choices** to low- / middle-income students to public & private institutions
  - ▶ **Weakens efforts** to ethnically and economically diversify student bodies and keep pace with demographic shifts
  - ▶ Reduces funding for **adult education**, e.g. literacy, ESL
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## Impact of HB1 - Other

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- ▶  **9-1-1 and disaster preparedness** funding
  - ▶ **18% (\$8 M)**  for **Veteran Benefit Assistance** for claim representation, employment /education, outreach
  - ▶ **34% (\$186 M)**  in **Transportation** contracted planning, design, construction, inspection
  - ▶ **23% (\$189.3 M)**  in transportation **Right of Way Acquisition** to build, widen and enhance roads
  - ▶ **88% (\$78.8 M)**  in Low-Income Vehicle Repair Assistance Program for **emission reduction**
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# Cuts will impact ability to move CAN Dashboard indicators in right direction

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we achieve our  
full potential

- ▶ Kindergarten ready
- ▶ High school graduation
- ▶ College ready
- ▶ Unemployment



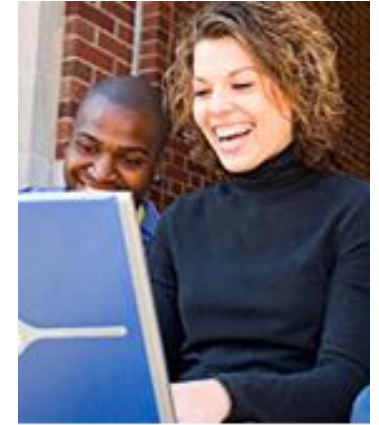
our basic needs  
are met

- ▶ Low-income
- ▶ Housing Cost Burdened
- ▶ Vehicle miles traveled
- ▶ Homelessness



we are  
healthy

- ▶ Health insurance
- ▶ Mental Health
- ▶ Smoking
- ▶ Obesity
- ▶ Air quality



we are safe, just  
& engaged

- ▶ Violent crime
- ▶ Arrest Demographics
- ▶ Voting



# Sources

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- ▶ Sources linked on [www.caction.org](http://www.caction.org) – Local Impact of Budget Cuts
- ▶ **CAN Intergovernmental Policy Committee** and Issue Area Groups (Literacy Coalition, Reentry Roundtable)
- ▶ **Legislative Budget Board**: Summary of Conference Committee Report on House Bill 1
- ▶ **Texas Association of Counties**: State Budget (for the 2012-2013 Biennium): Fiscal Impact on Counties
- ▶ **ATCHHSD**: Service Impact of 2012-2013 State Budget Cuts on Low-Income Travis County Residents
- ▶ **One Voice Central Texas**: Example of the Anticipated Impact on Proposed State, Federal & Private Cuts on Travis County Nonprofits
- ▶ **Travis County Health and Human Services and Veteran Services**: Local Impact of HB1 over the 2012-2013 Biennium