

# NEW DATA SHOW DECLINE IN FUNDING FOR TEXAS EARLY CHILDHOOD INTERVENTION (ECI)

Texas Legislature Should Boost Funding in 2019 to Support Babies and Toddlers with Disabilities and Developmental Delays



Early Childhood Intervention (ECI) is an effective federal-state program that contracts with community organizations to provide life-changing therapies to children under age three with disabilities and developmental delays. The program has been strained by reductions in state appropriations for ECI, the state cuts to Medicaid therapy rates, and other state policies. In 2012, the Texas Legislature provided \$484 per child enrolled in ECI. We have collected new data showing that the per-child funding has fallen steadily and dramatically since then, reaching \$412 in 2018, a decline of nearly 15 percent.<sup>1</sup> The decline in per-child funding is even more problematic in light of the Legislature's decision to require ECI contractors to increase the number of service hours provided to each child. The Health and Human Services Commission (HHSC) is seeking additional funding through its Legislative Appropriations Request (LAR) to stabilize ECI, citing the loss of numerous contractors as well as other concerns. We strongly support that request.

# Acknowledgments

Texans Care for Children team members Stephanie Rubin, Rebecca Hornbach, John Jacob Moreno, and Peter Clark collaborated to research, write, and design this policy brief.

We appreciate the effort by staff at the Texas Health and Human Services Commission (HHSC) and Early Childhood Intervention (ECI) contractors throughout Texas to respond to our requests for data and other information. We also appreciate their ongoing effort to support Texas babies and toddlers with disabilities and developmental delays.

We are grateful to the Episcopal Health Foundation, Methodist Healthcare Ministries of South Texas, Inc., the Alliance for Early Success, The Rees-Jones Foundation, and other generous supporters for supporting our work on this issue.

The opinions expressed in this document are those of Texans Care for Children and do not necessarily reflect the views of other organizations and individuals with whom we have collaborated on this issue.

## About Texans Care for Children

We drive policy change to improve the lives of Texas children today for a stronger Texas tomorrow.

We envision a Texas in which all children grow up to be healthy, safe, successful, and on a path to fulfill their promise.

We are a statewide, non-profit, non-partisan, multi-issue children's policy organization. We develop policy solutions, produce research, and engage Texas community leaders to educate policymakers, the media, and the public about what works to improve the well-being of Texas children and families.

Funded by a variety of foundations and individual donations, our work covers child protective services, juvenile justice, mental well-being, health, early childhood, and the ways that each of those policy areas work together to shape children's lives and the future of Texas.



# Background on Early Childhood Intervention in Texas

**Early Childhood Intervention (ECI) is the state program that contracts with community organizations in Texas to provide life-changing therapies and services to children under age three with autism, speech delays, Down syndrome, and other disabilities and developmental delays.**

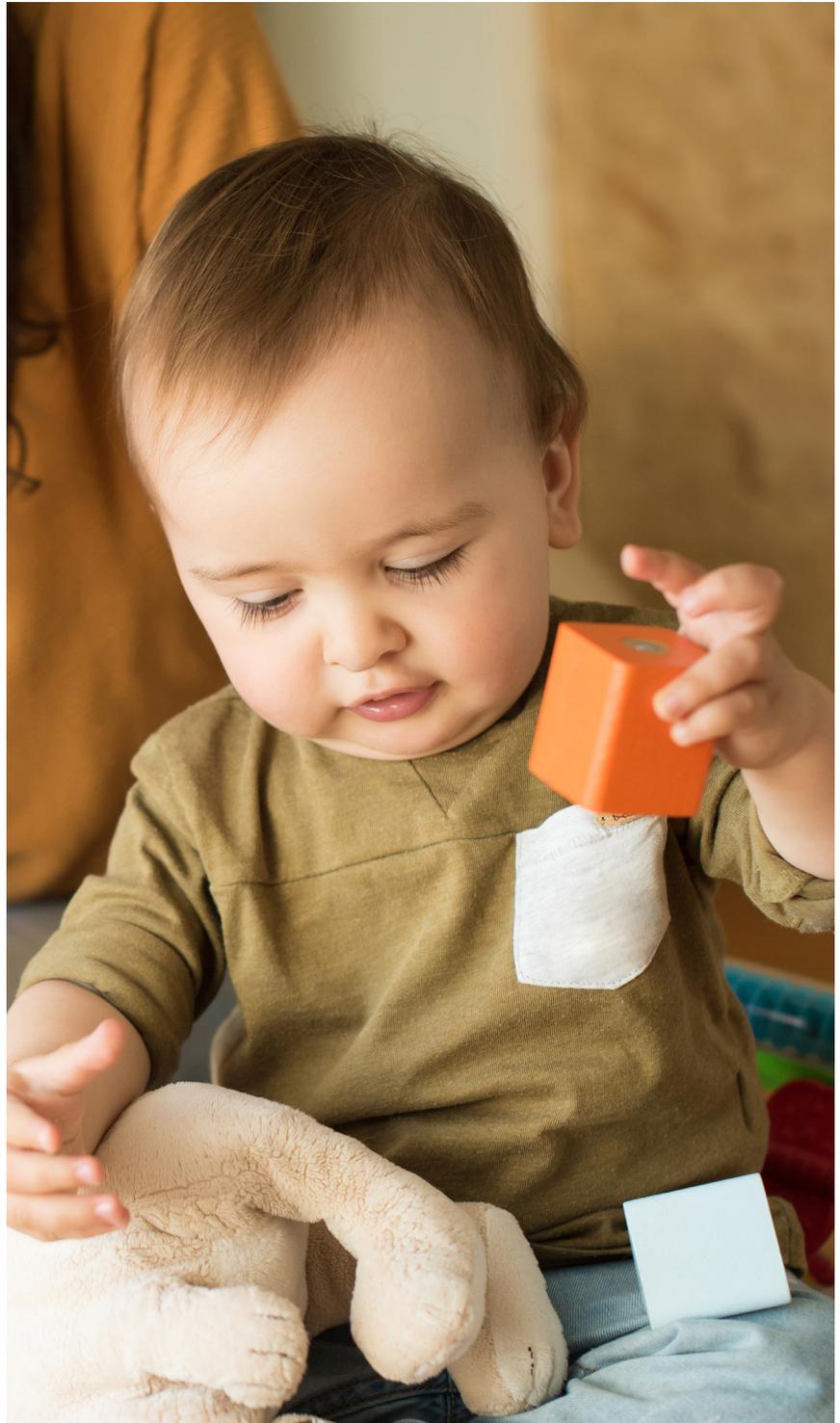
By serving children during the critical first three years of their lives, the program has been highly effective in helping children learn to walk, communicate with their families, get ready to start school, or meet other goals. ECI reduces the academic, social, and behavioral challenges that a child faces when starting elementary school and reduces the need for special education.

**Multiple state policies have placed a significant strain on ECI.**

Direct state appropriations for ECI have decreased 11 percent from \$166 million in FY 2011 to \$148 million in FY 2018.<sup>2,3</sup> In the 2017 session, lawmakers increased ECI appropriations, both for the remainder of the 2017 fiscal year and for the 2018-2019 biennium, but they did not fully fund anticipated caseload growth for 2018-2019.

In 2015, Texas legislators also reduced the Medicaid reimbursement rates paid to providers who offer speech, physical, occupational, and other therapies to children with disabilities (including ECI providers and non-ECI therapy providers that serve children of all ages with disabilities).

In 2011, the Legislature also reduced eligibility for ECI, eliminating access for thousands of children with more moderate developmental disabilities.



# New Analysis Shows Per-Child ECI Funding Has Fallen Dramatically in Texas

In 2012, the Texas Legislature provided \$484 per child enrolled in ECI. In response to state budget cuts, the per-child funding has fallen steadily and dramatically since then, reaching \$412 in 2018, a decline of nearly 15 percent.<sup>4</sup>

### Significant Decline in Texas ECI Funding Per Enrolled Child



Source: Texas Health and Human Services Commission. (July 2018). Dataset from Public Information Request made by Texans Care for Children.

**The decline in per-child funding is even more problematic in light of the Legislature's decision to require ECI contractors to increase the number of service hours provided to each child.**

Texas leaders exacerbated the strain on ECI programs by increasing the required average monthly per-child service hours in ECI by 63 percent between 2010 and 2017<sup>5</sup> while decreasing the per-child funding amount during that timeframe by just over 18 percent.<sup>6</sup> Increased service hour requirements should have been paired with funding increases, not decreases. We are unaware of any other states that measure ECI performance based on per-child service hours. Instead, other states mirror federal performance measures that focus on child outcomes.



# HHSC and Others Are Warning Legislators About the Need to Boost State Funding for ECI

The Texas Health and Human Services Commission (HHSC)'s recent Legislative Appropriations Request (LAR) asks for an additional \$71 million in an Exceptional Item for ECI, explaining:

*"In the past eight years, 18 providers have left the program due to inadequate per child funding. As such, the burden of covering larger, and often more rural, areas can shift to the remaining contractors and the costs associated with serving new counties may not be covered by that provider's contract. The contractors assuming these risks and challenges often do so knowing they will lose money when starting out, but make this commitment due to their dedication to the children and families they serve. Additionally, children and families feel the effects of contractor transitions as they develop close relationships with providers which can be lost when contractors exit the program. The time needed to re-establish this relationship once a new contractor is fully operational can translate to negative consequences for families. As ECI only serves children from birth to age three, providers have a short time to make a difference; every day can impact a child and family's future."*<sup>7</sup>

**The number of community organizations contracting with the state to provide ECI services has fallen from 58 in 2010 to 42 in October 2018.**<sup>8\*</sup>

Our research has found that when a provider shuts down, local ECI enrollment falls because of the time needed for a new provider to ramp up in the area; a breakdown in communication with families; and the loss of confidence in and awareness of the local ECI program among key community members, including the doctors and child care centers that often refer children to ECI.

**The need for ECI services has likely grown in Texas as the population of young children increases,<sup>9</sup> but the number of children receiving services has fallen since 2010.**<sup>10</sup>

Average monthly enrollment in ECI has fallen 11 percent since 2010<sup>11</sup> despite a five percent increase in the state's population of children under age three.<sup>12</sup> Enrollment fell significantly when the Legislature narrowed eligibility in 2012.<sup>13</sup> It has likely remained low since then because of so many programs shutting down as well as state funding cuts forcing ECI contractors to scale back their "Child Find" outreach efforts.

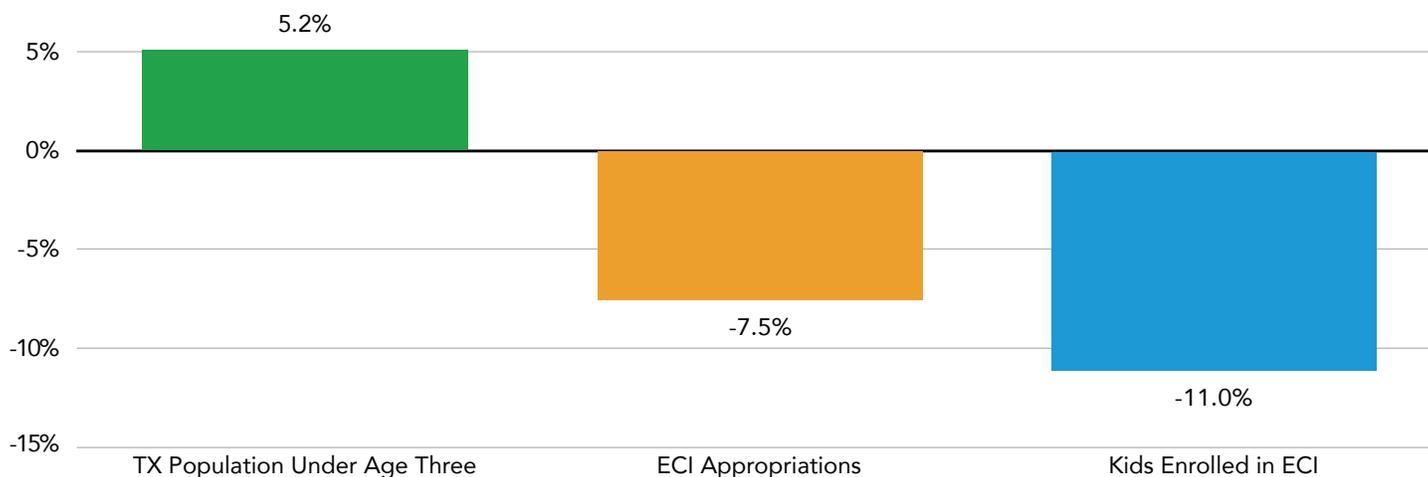
Total ECI enrollment has partially rebounded in recent years, increasing each of the last four years, yet overall enrollment has fallen significantly since 2010.<sup>14</sup> Texas is 45th in the nation for the percentage of kids under age three served by the state's early intervention program.<sup>15</sup>

The state cuts affected children of all backgrounds, but there was a disproportionate impact on Black children. Statewide ECI enrollment of Black children decreased 30 percent from 2011 to 2016, compared to 10 percent among Hispanic children and 8 percent among White children.<sup>16</sup>

---

\* The total number of contractors has fallen by 16 because of the entry of new contractors into the program.

## Since 2010, A Growing Population But Declining Funding and Services



\*\*Graph uses most recent data available: Population data is from 2016. Appropriations data is from FY 2019. Enrollment data is for average monthly enrollment in 2017.

Sources: Texas Demographic Center. (2018) Estimates of the Total Population of Counties in Texas by Age, Sex and Race/Ethnicity [2010 and 2016 datasets]. Retrieved from <http://osd.texas.gov/Data/TPEPP/Estimates/>.

T.X. Legis. Assemb. Reg. Sess. 2. (2009). General Appropriations Act for the 2010-11 Biennium. (Used for 2010-2011 data).

T.X. Legis. Assemb. Reg. Sess. 2. (2017). General Appropriations Act for the 2018-19 Biennium. (Used for 2019 data).

Texas Health and Human Services Commission. (October 2018). Dataset from Public Information Request made by Texans Care for Children.

## Recommendations

1. Fully fund the HHSC Exceptional Item request for \$71 million (All Funds) for ECI in the 2020-2021 budget. The Exceptional Item would:

- (A) support caseload growth due to the increase in the population of Texas children under age 3, including growth in the number of babies born prematurely or struggling with Neonatal Abstinence Syndrome and other challenges;
- (B) increase per-child spending;
- (C) strengthen Child Find efforts to identify eligible children in the community; and
- (D) address fiscal challenges to ECI programs serving large geographical areas in Texas, among other important needs.

2. Ease administrative strain on ECI by focusing state performance metrics on child outcomes rather than service hours.

3. Explore meaningful ways to address the disproportionate decrease in ECI enrollment for Black families.

4. Stretch the state's ECI dollars further by passing legislation requiring commercial insurance to cover ECI services that are covered in Texas Medicaid such as speech therapy and Specialized Skills Training.

# References

- 1 Texas Health and Human Services Commission. (July 2018). Dataset from Public Information Request made by Texans Care for Children.
- 2 T.X. Legis. Assemb. Reg. Sess. 2. (2009). General Appropriations Act for the 2010-11 Biennium. (Used for 2010-2011 data).
- 3 T.X. Legis. Assemb. Reg. Sess. 2. (2017). General Appropriations Act for the 2018-19 Biennium. (Used for 2018 data).
- 4 Ibid (1)
- 5 Texas Health and Human Services Commission. (2018). Dataset from Public Information Request made by Christie Shaw.
- 6 Ibid (1)
- 7 Texas Health and Human Services Commission. (2018). Legislative Appropriations Request for Fiscal Years 2020-2021.
- 8 Smith, C., Rogers, L., & Wood, T. (March 28, 2018). Presentation to the House Appropriations Committee: Early Childhood Intervention Program [PowerPoint slides].
- 9 Texas Demographic Center. (2018) Estimates of the Total Population of Counties in Texas by Age, Sex and Race/Ethnicity [2010 and 2016 datasets]. Retrieved from <http://osd.texas.gov/Data/TPEPP/Estimates/>.
- 10 Texas Health and Human Services Commission. (October 2018). Dataset from Public Information Request made by Texans Care for Children.
- 11 Ibid (10)
- 12 Ibid (9)
- 13 Ibid (10)
- 14 Ibid (10)
- 15 U.S. Department of Education. (2017). Number of infants and toddlers ages birth through 2 and 3 and older, and percentage of population, receiving early intervention services under IDEA, Part C, by age and state 2016- 2017. Retrieved from <https://www2.ed.gov/programs/osepidea/618-data/static-tables/index.html#partc-cc>
- 16 Texas Health and Human Services Commission. (June 2017). Dataset from Public Information Request made by Texans Care for Children.





1106 Clayton Lane #111W, Austin, TX 78723  
512-473-2274 • [txchildren.org](http://txchildren.org) • [@putkids1st](https://twitter.com/putkids1st)