



House Appropriations Committee
Department of State Health Services: Children's Mental Health
February 18, 2011

I am Josette Saxton, Policy Associate at Texans Care for Children. I appreciate the opportunity to offer comments today on the Department of State Health Services budget as it relates to Children's Mental Health. Texans Care is a statewide nonpartisan, nonprofit organization dedicated exclusively to the children of Texas. We look to our broad base of community-based experts – our partners and 220 members throughout the state who together represent thousands of Texas children—to inform our work and help us in developing our legislative agenda. We co-convene various stakeholder groups that bring together a wide range of organizations, families, and advocates around our areas of focus—family economic security; infant, child and maternal health; children's mental health; child welfare; and juvenile justice and at-risk youth—including the *Texas Children's Mental Health Forum*, bringing together a wide range of organizations, public agencies, families, advocates and other stakeholders to learn more about the programs, policies, and issues impacting children's mental health in Texas, and to share information, identify concerns, and offer policy recommendations to advance children's mental well-being.

Over the past decade, Texas has ranked at or near the bottom amongst the states in spending on public mental health services for all age groups, and it spends only about 15% of this funding on children.ⁱ Spending on children's public mental health in Texas in recent years has consistently decreased.ⁱⁱ As of August 2009, 512 children and youth with serious disorders were waiting for services because of a lack of resources, a 147% increase from 2005.ⁱⁱⁱ If the cuts in the proposed budget are realized, 2758 fewer youth will receive mental health services each month and even fewer will receive crisis services or have access to mental health hospital beds. Continuing to cut the budget for community mental health services will only continue the waiting for these children and youth, often leading to more costly services in more restrictive settings as their disorders are left untreated.

Failing to fund effective mental health programs and services will result in increased costs to the state in spending on future services as well as a loss of human capital. Society reaps the greatest benefits from supporting the physical and mental health of its children, as it reduces its costs in the health, education, and criminal justice system and increases the stability, productivity, and safety of its people.

- Addressing young people's behavioral health concerns in a community setting is often more effective – and cheaper – than serving them in more restrictive settings. In 2005, it cost an average cost of \$885 to provide youth with behavioral health services in a community setting in Texas, compared to \$8,759 to provide behavioral health services in institutional or residential settings.^{iv}
- A disproportionate number of youth with mental health concerns end up in the juvenile justice system. Thirty seven percent of youth in the Texas Youth Commission have been characterized as having "serious mental health problems".^v Forty eight percent had some need for mental

health treatment in 2009. National studies estimate that about 70% of youth in the juvenile justice system have a diagnosable mental health disorder, though not all are identified.^{vi} The average cost to commit a youth in the Texas Youth Commission is \$127,000 per year.^{vii}

- In 2008, nearly 300 of the children who entered substitute care within the Department of Family and Protective Services due to parental refusal to accept responsibility had documented emotional problems. Parents relinquished care of 80 children with documented drug or alcohol use during the same year.^{viii} We know from parents that, in many of these cases, their inability to access services to address their children's behavioral health needs is the driving factor in the child's removal from home.
- Severe mental health and substance abuse costs Texas businesses about \$270 billion in lost spending each year and more than 1.6 million permanent jobs; spending related to mental illness and substance abuse and lost tax dollars cost the State about \$13 billion annually.^{ix}

If widespread cuts occur, coordination and collaboration among agencies and programs will be more important than ever to make the most of scarce resources while achieving the best possible outcomes for youth. Youth with the most complex mental and behavioral concerns are frequently involved with multiple public systems, which are often fragmented and disconnected. Decreased funding will only worsen this problem at a time when local communities will be called on to fill the gaps which are widened or created by these cuts. The Health and Human Services Commission (HHSC) and the Department of State Health Services (DSHS) each have initiatives that assist communities in coordinating their services with the goal of keeping children and youth in their homes, schools and communities and out of more restrictive and costly settings. Texas should continue to support these existing technical assistance and coordinating efforts, including HHSC's Community Resource Coordination Groups (CRCGs) and Texas Integrated Funding Initiative (TIFI) Consortium, and the DSHS's Youth Empowerment Services (YES) Medicaid Waiver program.

Before making any more cuts to vital services, Texas needs a balanced approach to balancing the state budget. Knowing that the Legislature faces a deficit in the FY 2012-2013 budget, Texans Care supports a budget strategy that balances cuts with revenue measures - revenue measures that are balanced, adequate, and fair. We urge the Legislature to identify all reasonable options for bringing state revenue into alignment with Texans' current and future needs. Here are three ways to meet today's needs in Texas and prepare for a better future:

1. **Use the Rainy Day Fund.** An estimated \$9.4 billion in savings will be available for the next budget from a fund whose constitutional mandate is shoring up state services during economic downturns.
2. **Take advantage of available federal funding.** Texas taxpayers need our state leaders to prioritize bringing our share of federal dollars back to Texas.
3. **Close wasteful tax loopholes, and develop new revenue sources.** The House Ways & Means Committee has been systematically reviewing tax exemptions in order to help the Legislature identify those that are outdated and that can be eliminated without hurting the average taxpayer.

Thank you for your time and commitment. If you have any questions, please feel free to contact me or the staff of Texans Care for Children at 512.473.2274.

Respectfully,

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ⁱ National Association of State Mental Health Health Program Directors Research Institute, Inc. (NRI Inc.). State Mental Health Agency Profile Systems (Profiles) and Revenues and Expenditures Study. Revenues and Expenditures Data: 1997 to 2006. http://www.nri-inc.org/projects/Profiles/Prior_RE.cfm#1997. Accessed May 28, 2010.

ⁱⁱ National Association of State Mental Health Health Program Directors Research Institute, Inc. (NRI Inc.). State Mental Health Agency Profile Systems (Profiles) and Revenues and Expenditures Study. Revenues and Expenditures Data: 1997 to 2006. http://www.nri-inc.org/projects/Profiles/Prior_RE.cfm#1997. Accessed May 28, 2010.

ⁱⁱⁱ Department of State Health Services, Division of Mental Health and Substance Abuse Division.

^{iv} Calculation based on data in Legislative Budget Board 2007 Texas State Government Effectiveness and Efficiency Report. Figure 5 (2007) Government Effectiveness and Efficiencies Report.

^v Texas Youth Commission Strategic Plan 2011-2015 (2010).

http://www.tyc.state.tx.us/about/TYC_Strategic_Plan_2011_to_2015.pdf

^{vi} National Center for Children in Poverty.(2009) *Adolescent Mental Health in the United States*.

http://www.nccp.org/publications/pdf/text_878.pdf

^{vii} Texas Sunset Commission-Commission Decisions. 2010

http://www.sunset.state.tx.us/82ndreports/tyc/tyc_dec.pdf.

^{viii} Department of Family and Protective Services. *Children Entering Substitute Care With Removal Reason of Refusal to Accept Parental Responsibility by Disabling Conditions and Additional Removal Reasons, Fiscal Year 2008*. E-mail correspondence Katie Renner Olse, External Relations Lead, DFPS. July 3, 2009.

^{ix} The Perryman Group. (2009) *Costs, Consequences, and Cures: An Assessment of the Impact of Severe Mental Health and Substance Abuse Disorders on Business Activity in Texas and the Anticipated Economic and Fiscal Return on Investment in Expanded Mental Health Services*.