



## Early Childhood Intervention: A Vital System at Risk

The Early Childhood Intervention (ECI) Advocacy Coalition recognizes the challenges legislators face in making decisions about how to spend limited public funds and appreciates the effort to address the most critical needs of Texas. ECI is a statewide program, operated by the Health and Human Services Commission (HHSC), for families with children, birth to three years old, with disabilities and developmental delays. To administer the program, HHSC contracts with local agencies including Community Centers, private non-profit organizations, Education Service Centers and Independent School Districts.

We need your help to forge a sustainable future for the ECI system by urging budget conference committee members to fund the \$44.8 million requested by HHSC to address ECI caseload and program cost growth.

### **Background**

The ECI program was authorized in 1986 under President Ronald Reagan and reauthorized in 2004 under President George W. Bush. The program is designed to reduce educational costs by minimizing the need for special education through early intervention and enhancing the capacity of families to meet their children's needs. Over time, ECI has saved taxpayer dollars not only in public education, but in health care, social services, and criminal justice. Children with developmental delays, including serious emotional disturbances, are at increased risk of abuse and neglect, as families struggle to meet their needs. The Texas ECI program helps many families engaged with DFPS to properly care for their children.

Federal requirements for ECI closely resemble requirements for public education. All children determined eligible must have access to services and states must not implement wait lists for the program. In Texas, HHSC allocates funds to providers based on an average contracted number of children to serve each month. Because federal regulations require providers to serve all children determined eligible, if the number of eligible children exceeds the provider's contracted amount, the provider must still serve all eligible children. In FY 2016, all ECI providers but one served a greater number of children on average each month than the number of children required in their contract, requiring providers to cover children beyond their contract numbers without assistance from the state.

### **Program Sustainability**

Funding is not only needed to address ECI caseload and program cost growth in FY2018-2019, but is necessary to avoid the collapse of this vital program for Texas children and families.

ECI providers are terminating contracts at an alarming rate due to recent program changes and reductions in funding and rates. As of April 2017, the ECI program has 47 contractors statewide, down from 58 just 7 years ago. In 2016, three contractors exited the program due to long-standing financial pressures, triggering a lawsuit against the state when children were left without access to care during the transition between providers.

Contract terminations will reach emergency proportions without funding to meet caseload and cost growth. Twenty-eight of 31 recently surveyed ECI providers indicated they are currently at risk of terminating their contracts due to financial pressures, with seven indicating “critical” or “high” risk.<sup>1</sup> Only three providers indicated they are currently at “no risk” of termination.<sup>2</sup>

Underscoring the current instability in the system, 13 of 32 surveyed providers submitted letters to HHSC indicating they reserved the right to terminate their FY 2018 contracts dependent on appropriation decisions made during the 85<sup>th</sup> Texas Legislative Session.<sup>3</sup> The impact of even a few of those 13 providers terminating contracts would be devastating to families, communities, and ECI providers that have for years shouldered increased responsibilities, adjusted to many changes in financial expectations, and sustained losses out of a strong mission to serve children with developmental delays.

### **Funding Status in the 85<sup>th</sup> Legislature**

At this point in the budgeting process, neither the Senate version of CSSB 1 nor the House version of CSSB 1 includes any new funds to address caseload and cost growth for the ECI program.

In public testimony for both the Senate and House budget committees, legislators heard heartfelt testimony from advocates who care deeply about early intervention for children with significant developmental delays, families who experience first-hand the vital difference early intervention makes in their child’s life, and providers who are trying to make ends meet with resources that are not keeping pace with demand. Testimony followed one central theme: to urge decision-makers to fully fund the program, expressing deep concern about inadequate funding levels to address both caseload and cost growth.

In response to numerous questions about ECI funding from legislators involved in the budget process, the Legislative Budget Board (LBB) staff advised that funding decisions for the ECI Program would be made during budget conference.

### **What We Ask of You**

In the context of state budget pressures, HHSC reduced their exceptional item request from \$44.8 (all funds) to \$19.8 million in federal funds, funds that have not been determined available and, by the state’s own projections, are inadequate to cover ECI caseload and cost growth for the next two years.

As final budget decisions are now fast upon the 85<sup>th</sup> Legislature, we urge decision-makers to find a way to fund the ECI exceptional item submitted by HHSC in its original Legislative Appropriations Request and the HHSC Consolidated Budget of \$44.8 million.

Thank you for your commitment to the mission of ECI and the transformative effect ECI services have on the children and families of Texas.

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<sup>1</sup> Texas Council of Community Centers. “ECI Provider Survey.” 11 April 2017.

<sup>2</sup> *Ibid.*

<sup>3</sup> *Ibid.*