

CHILDREN & THE BUDGET

A **BALANCED APPROACH** TO A BALANCED BUDGET

Balancing the Budget Through Cuts Alone Affects Children Most of All

Facing a massive \$27 billion revenue shortfall, some Texas legislators are calling for cuts to nearly all state services, including those that meet the most basic needs of children, such as public education, Child Protective Services (CPS) and the Children's Health Insurance Program (CHIP).

To ensure we have a bright future, Texas needs to put kids on a better path today and not make rash cuts that will set them—and the state—up for failure.



Q: What can Texas do instead of making sweeping cuts?

- Spend the Rainy Day Fund, which is estimated to have \$9.4 billion, and automatically replenishes.
- Maximize revenue sources by drawing down federal dollars, expanding existing revenue sources, creating new ones, and eliminating tax loopholes.



Facts & Figures

Cuts to education

- Proposed cuts will eliminate 100,000 jobs in public education, and will increase the number of students in each classroom dramatically. This can contribute to lower test scores and higher dropout rates.
- Noted state demographer Dr. Steve Murdock warns that by 2040, Texas will have a more impoverished, less educated workforce and higher incarceration rates unless the state acts now to improve educational attainment for the next generation.
- Cuts will reduce pre-kindergarten programs, which Texas A&M researchers say return to Texas \$3 for every \$1 the state spends, and go a long way towards ensuring that students don't drop out when they reach middle and high school.
- In addition to massive cuts to state aid to schools, the proposed budget cuts school-based services aimed at improving children's mental and physical well-being.

Cuts to child protection

- Texas already spends little on child abuse prevention, and has historically been quick to cut this essential service. The proposed state budget only makes it worse. Compared to 2010-11, the proposed budget cuts services to preserve families and keep children safe in their own homes by 16 percent and support for relative caregivers by 57 percent.
- The proposed budget will force CPS to lay off almost 400 investigators and caseworkers, increasing caseloads by more than 25 percent in some instances, which will put more children in harm's way.
- Without effective abuse prevention services, more children will end up in the foster care system, or as wards of the state, the most costly option of all for Texas taxpayers.

Cuts to kids' health programs

- By cutting state Medicaid rates by \$1.6 billion, Texas loses an additional \$2.2 billion in matching funding from the federal government. With all proposed cuts to children's health care, Texas stands to lose a total of \$10.4 billion in federal monies.
- Proposed cuts to the rates Medicaid and CHIP service providers receive as compensation will result in fewer practitioners accepting as patients children who rely on those services for health care. As a result, roughly half of all infants, preschoolers, and elementary-aged children in Texas—along with a significant portion of older children—may find themselves with health insurance that no one will accept. The cost to Texas of leaving children unable to see a doctor is higher than the cost of simply getting children the preventive care they need.
- Cuts to nutrition programs will reduce healthy food initiatives in Texas schools aimed at reducing obesity. Reports show that more than 40 percent of Texas fourth graders are overweight, which has lifelong negative health effects, and costs Texas and its businesses billions of dollars annually.