PROMOTING INDEPENDENCE ADVISORY COMMITTEE
FISCAL YEARS 2010 – 2011 BIENNIUM FUNDING RECOMMENDATIONS

The Promoting Independence Advisory Committee (Committee) makes the following policy and fiscal recommendations for the Fiscal Years (FY) 2010-2011 biennium.[1] Increase in Medicaid community-based 1915 (c) waiver slots is the top priority of the Committee; the remaining recommendations are made in no specific order of importance. All recommendations will be included in the comprehensive *2008 Stakeholder Report* which will make recommendations for the *Texas Revised 2008 Promoting Independence Plan*. These recommendations have been approved by a majority of the Committee's membership;[2] any vote against or those abstaining are noted for each specific recommendation. The Committee's recommendations to Executive Commissioner Hawkins are:

PROGRAM FUNDING

- **INCREASE IN MEDICAID 1915 (C) SLOTS – EIGHT YEAR PLAN FOR ELIMINATION OF CURRENT INTEREST LISTS[3]**

The 80th Legislature passed the 2008-2009 General Appropriations Act (Article II, Department of Aging and Disability Services [DADS], House Bill [H.B.] 1, 80th Legislature, Regular Session, 2007) which significantly increased the number of individuals receiving services in DADS' Medicaid waiver programs. H.B. 1 provides $71.4 million in General Revenue (GR) funds ($173.2 million in All Funds) which will allow an additional 8,598 individuals to be served in community-based programs by the end of 2008-09 biennium. All of DADS' waiver programs are impacted by this appropriation, which provides an approximate ten percent increase in community-based services.

The Committee's number one priority is that the emphasis on increasing community-based services be continued and enhanced by the 81st Legislature. As of January 31, 2008 there continued to be 100,231 individuals on waiver interest lists (this is a duplicated count and includes individuals on the STAR+ interest list).

Therefore, the Committee recommends that the 81st Legislature increase funding for community-based based programs in order to eliminate all interest lists within an eight year period; this would include sufficient funding to actualize a cumulative one hundred percent decrease in the overall interest lists through the 84th Legislative Session (2017). This overarching initiative will include both individuals on the interest list and projected demographic growth. Implementation of this recommendation will result in that at the end of the FY 2017, no new applicant for community-based services will have to wait more than six months to receive services.

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[1] These recommendations reflect the views and opinions of a consensus of members of the Committee. The Committee for purposes of these recommendations refers only to those members named to the Committee by the Health and Human Services Commission's (HHSC) Executive Commissioner and does not include agency representatives. Unless otherwise noted, the views and options expressed in these recommendations do not necessarily reflect the policy of HHSC, the Texas Department of Aging and Disability Services, or any state agency represented on the Committee.

[2] See Attachment.

[3] Vote: 9-0-2: Tim Graves, the Texas Health Care Association (THCA) and Jean L. Freeman, Ph.D., DADS Council abstaining.

- **FUND BEHAVIORAL HEALTH SERVICES AND SUPPORTS FOR HEALTH AND HUMAN SERVICES ENTERPRISE PROGRAMS**

There is an increasing concern for the lack of behavioral health services and supports for individuals with dual diagnoses (mental illness and substance abuse). These issues, as either stand-alone concerns, or coupled with co-occurring other disability issues presents a barrier for a fully-integrated long-term services and supports system. It is difficult to be in full compliance with the *Olmstead* decision when many of the barriers to community integration and relocation from institutional settings are dependent on limited behavioral health funding. The Committee makes the following three recommendations:

Recommendation 1: Fully Fund The Assertive Community Treatment (ACT) Service Packages As Part Of The Resiliency And Disease Management (RDM) Program Administered Through The Texas Department Of State Health Services (DSHS).[4] DSHS has recognized the importance of Promoting Independence (PI) and those individuals who have been hospitalized for over a year as part of the PI population. DSHS has also acknowledged that the focus should incorporate those individuals who are at risk of hospitalization and for individuals who have been hospitalized two or more times in 180 days. The Promoting Independence Plan formally targets individuals with three or more hospitalizations within the 180 period however, DSHS' RDM allows for services to persons with the two or more hospitalizations in order to help prevent a third hospitalization.

DSHS has determined that the at-risk population should be incorporated into the RDM System regardless of diagnosis, and that generally adults are appropriate for service level 4 of ACT. The current appropriations are not adequate to meet the capacity of the state and a significant number of individuals are being recommended for ACT level 4 but are actually enrolled into a less intensive and expensive level of services. According to the DSHS strategic plan, an estimated 923,536 adults in Texas met the DSHS mental health priority population definition in 2007; approximately 444,655 are estimated to have the greatest need (targeted priority population). DSHS program service utilization data indicates that an approximate one fourth of those with the greatest need received mental health services from the state authority (111,782) in 2007.

The Committee recommends that the Legislature adequately fund ACT as part of RDM to ensure that individuals who are hospitalized two or more times in 180 days are able to access service level 4 of RDM.

Recommendation 2: Provide services and supports for individuals leaving the state mental health facility (state hospital) system.[5] Many individuals leaving the state hospital system have no community residence or the required services to help them re-integrate back into community living. This lack of services and housing options result in a large percentage of individuals being discharged from the state hospital into a nursing facility. The state then works with that individual through the "money follows the person" policy to have them return to his/her community setting of choice. This process is costly to the state and does not provide the highest level of a quality of life to the

[4] Vote 9-0-2: Tim Graves, THCA, and Jean L. Freeman, Ph.D., DADS Council, abstaining.
[5] Vote 9-0-2: Tim Graves, THCA, and Jean L. Freeman, Ph.D., DADS Council, abstaining.

individual. The Committee recommends that DSHS is provided sufficient funding to provide the necessary community services and supports, such as Cognitive Adaptation Training and Substance Abuse Services, to optimize the individual's opportunity for a successful relocation and lower the risk for recidivism.

Recommendation 3: Increase funding for the current 1915 (c) waivers in order to incorporate behavioral services and support in their service arrays.[6] The current 1915 (c) service arrays do not adequately cover behavioral health services and supports. Therefore, community options are limited for those individuals with co-occurring aging and/or disability needs. The Committee recommends that all Medicaid 1915 (c) waiver programs provide behavioral health services and supports as a service option under the service array. While the addition of this service option may increase the individual service plan cost, this could be a short-term activity until the individual stabilizes or maybe offset other service costs as a result of a reduction for the need for other available services.

- **Increase funding to all the existing 1915 (c) waiver programs in order to ensure flexibility in the service array.**[7]

1915 (c) waiver programs have set service arrays to help manage utilization and overall costs. Many of these programs currently exist with the same service arrays that were established in the 1980s and 1990s when the programs were first created. Through experience, there are many other support services that could be offered that would enhance success in community living and an individual's quality of life. Examples of services currently not offered are behavioral health supports, services to support an individual with traumatic brain syndrome, services to support an individual with autism, and other specific supports. These additional services and supports would not increase the overall cost cap but rather provide increased flexibility and opportunity for an individual's self-determination.

- **Fund an integrated Data Warehouse.**[8]

The long-term services and supports system crosses several health and human services operating agencies. DADS, the lead operating agency for long-term services and supports, is in the process of enhancing its "data warehouse" which provides individual service level information for purposes of providing data to make evidence-based policy decisions. However the managed care system, which has expanded into all of the major urban service delivery areas and is administered by HHSC, maintains its own data collection process. It important to create a single "data warehouse" which will integrate both the fee-for-service and managed care data. There is a significant need to characterize the entire long-term services and supports systems within a single system, and discuss in an evidence-based manner, the commonalities and differences of the two funding systems.

[6] Vote 9-0-2: Tim Graves, THCA, and Jean L. Freeman, Ph.D., DADS Council, abstaining.
[7] Vote 9-0-2: Tim Graves, THCA, and Jean L. Freeman, Ph.D., DADS Council, abstaining.
[8] Vote 10-0-1: Jean L. Freeman, Ph.D., DADS Council, abstaining.

WORKFORCE AND PROVIDER NETWORK STABILIZATION

The opportunities for community living are limited without a functional, available, and qualified work force and provider network. Significant turnover rates for direct services and supports staff result in a diminished quality of care and a significant additional expense for advertising and training new employees. Other additional costs include overtime wages for employees who must cover vacant positions. Providers must have adequate funds to address these workforce challenges and costs. In addition, providers are also faced with other operational demands, such as transportation, food, insurance and other related operating needs. Lack of sufficient funds to address these expense items have an equally negative impact on the quality of services provided and the availability of a qualified provider base from which an individual may choose to receive services.

The Committee recommends the following workforce and provider measures to stabilize the current workforce, ensure a viable provider base and meet the needs of aging and/or disabled Texans during the 2010-2011 biennium.

Recommendation 1: Fully-fund the 2007 Consolidated Budget's 2008-2009 rate methodology requests.[9] Prior to the 80th Legislature, the Texas Legislature faced challenges in appropriating adequate funds to provide rate increases in accordance with promulgated reimbursement methodologies. These challenges were, in part, the result of limited resources and budgetary shortfalls within the state's budget.

To address this issue, the 2007 Consolidated Budget presented to the 80th Legislature by the Health and Human Services Commission (HHSC) stated that the funding increases necessary to fully-fund HHSC's rate methodologies for community-based programs in Fiscal Years (FY) 2008 and 2009 were: Primary Home Care (PHC), 15.33 percent; Community-based Alternatives (CBA) , 16.9 percent; Community Living and Assistive Support Services (CLASS) 11.3 percent; Medically Dependent Children's Program (MDCP) 29.9 percent; Home and Community-based Services (HCS) 9.56 percent; and Day Activity and Health Services (DAHS) 5 percent.

However, the Legislature only appropriated, on average, a five percent rate increase for providers of community services and supports ($86.2 million General Revenue, $203.1 million All Funds). In addition, the Legislature provided for "Community Care Rate Enhancements" ($15.8 million General Revenue, $38.2 million All Funds) for direct service staff, and passed H.B. 15 (80th Legislature, Regular Session, 2007) which provided rate restoration for CLASS, HCS, and Texas Home Living providers to FY 2003 amounts. The funds restored rates for the last 8 months of FY 2007.

It is important to note that the appropriations did not include funds to address the minimum wage bill passed by Congress in May 2007. The 80th Legislature (2007) specified under Section 57 (Article II, Special Provisions, Regular Session, 2007) the funds appropriated for rate increases in H.B. 1 or H.B. 15. These funds were intended to provide a rate increase and, in part, to cover any required increases in hourly wages or salaries established under federal minimum wage laws or regulations. The intent of the

[9] Vote 10-0-1: Jean L. Freeman, Ph.D., DADS Council, abstaining.

appropriations was not accomplished and the lack of funding is serious; for example, Primary Home Care has the lowest rate and providers had to use almost the entire FY 2008-2009 increase to cover the minimum wage requirements.

In summary, although the 80th Legislature (2007) appropriated funds to provide rate adjustments, the funds were not appropriated at the levels requested and necessary to adequately address the complex challenges related to workforce issues and infrastructure and minimum wage. Therefore, the Committee recommends that the 81st Legislature immediately address the FYs 2008-2009 shortfall, and to fully-fund all community-based programs in accordance with their respective promulgated methodologies.

Recommendation 2: Increase provider rates to address inflation. Cost inflation is inevitable for even the most efficient providers.[10] In fact, between 1997 and 2007 the Consumer Price Index (CPI) has increased by 26 percent. While the rate adjustments provided by the 80th Texas Legislature provided some relief, the adjustments did not meet the increase in the CPI. The current national economy is indicating that inflation rates are trending upward, and a conservative preliminary inflation estimate for providers during the FYs 2010-2011 biennium would be three percent per year. Current inflationary pressures include, but are not limited to, cost increases in gasoline, transportation (vehicles), food and utilities, all which are necessary for service delivery. The inability to adequately address these needs negatively impacts: the quality of services provided to individuals; a provider's ability to maintain compliance with regulations; and more importantly, the availability of an array of viable service providers from whom consumers may choose to receive services.

Recommendation 3: Fund the full impact of the minimum wage increase.[11] The third $0.70 increment in the federal minimum wage will occur on July 24, 2009, and will require pro forma adjustments to the rates that would otherwise be reflected in HHSC's rate methodology estimates for FYs 2010-2011. The "ripple effect" of that third increment is an economic fact, and must be recognized in the 2010-2011 General Appropriations Act.

Recommendation 4: Fund community direct services and supports workers. [12] The ability to recruit and retain direct services and supports workers is at a critical juncture in Texas. In the development of the FYs 2010-2011 Consolidated Budget, the level of funding for wages and benefits for community direct services and supports workers, must be sufficient to effectively recruit and retain community workers in order to meet the needs of individuals who are aging and/or with a disability, as identified in the Legislative Appropriation Requests (LARs) of the Health and Human Services operating agencies.

[10] Vote 10-0-1: Jean L. Freeman, Ph.D., DADS Council, abstaining.
[11] Vote 10-0-1: Jean L. Freeman, Ph.D., DADS Council, abstaining.
[12] Vote 10-0-1: Jean L. Freeman, Ph.D., DADS Council, abstaining.

CHILDREN'S SUPPORTS

- **FULLY-FUND LONG-TERM SERVICES AND SUPPORTS SUFFICIENTLY IN ORDER TO AVOID THE INSTITUTIONALIZATION OF ANY CHILD.**

The Committee believes that the health and human services system must address the number of children with disabilities who continue to remain in Texas institutions. Equally important to the Committee is to ensure that children with disabilities at risk of institutionalization may remain with families. The Committee will make recommendations and monitor the health and human services system for progress on these issues.

Reducing the number of children with disabilities residing in large, congregate care facilities continues to be a top priority for Committee as well as for other disability advocates throughout Texas. This goal can only be accomplished by addressing the barriers that prevent children from leaving these facilities, and ensuring that the appropriate community supports and services are available that prevent the initial placement of a child in a facility.

While the number of children living in large community ICFs/MR has significantly decreased over the past six years, the total number of children residing in institutional settings, as defined by Senate Bill 368 (78th Legislature, Regular Session, 2001), has remained fairly constant. Additionally, the number of children with intellectual and developmental disabilities being admitted to state schools has increased dramatically (152 admissions during FY 2007).

The following recommendations are aimed at decreasing the number of children with disabilities in Texas institutions, increasing access to quality permanency planning and family-based options, and preventing new admissions of children to these facilities:

Recommendation 1: Provide the appropriate community-based services to those at imminent risk of institutionalization and prevent the placement of children/youth 17 years and younger in large community ICFs/MR and state schools.[13] This recommendation is consistent with the Center for Disease Control and Prevention's *Healthy People 2010 Objectives for People with Disabilities*. Many families/guardians feel as though they have no option during a crisis situation other than institutionalization. Funding of "crisis services" to provide intervention, stabilize the current situation, and the provision of behavioral training to the family/guardian would have a significant impact on the ability of the family/guardian to continue to support the child/youth at home. This recommendation will also require a statutory change.

[13] Vote 9-0-2: Tim Graves, THCA, and Jean L. Freeman, Ph.D., DADS Council, abstaining.

Recommendation 2: Expand the Promoting Independence (PI) population to include children in institutions licensed by DFPS (for children in state conservatorship).[14] Being designated as a PI population provides a child/youth with immediate or expedited access to Medicaid 1915 (c) waiver programs. Currently, the PI population only includes individuals in nursing facilities, state schools, and large community ICFs/MR.

Recommendation 3: Create a Permanency Planning/Promoting Independence Unit for Children at DADS.[15] S. B. 368 (77th Legislature, Regular Session, 2001) created permanency planning as a public policy in 2001; subsequent legislation reinforced and strengthened the policy. However, the function was never fully funded and staff assigned can not fully actualize this activity as intended. A permanency planning unit would have responsibility for: (1) developing the infrastructure and the expertise needed to address the institutionalization of a child in a crisis situation; (2) providing technical assistance to mental retardation authorities (MRAs) who have responsibility for permanency planning by developing increased expertise at local MRAs (on-going training and support); (3) developing meaningful accountability for quality permanency planning and crisis intervention; and (4) increasing efforts to relocate children currently placed in state schools to less restrictive, family-based alternatives.

Recommendation 4: Develop a pilot to create emergency shelters for children with disabilities needing out-of-home placement.[16] This is to ensure adequate time to assess the child and develop an appropriate family-based alternative.

Recommendation 5: Develop adequate behavioral services to support children/youth coming out of institutions and to help prevent them from having to be admitted.[17] See recommendation under issues pertaining to "Fund Behavioral Health Services and Supports for Health And Human Services Enterprise Programs".

Recommendation 6: Develop And Implement A Medicaid Buy-In Program For Children With Disabilities In Families With Income Between 100% To 300% Of The Federal Poverty Level (FPL) As Stipulated In The Deficit Reduction Act Of 2005.[18] Many children with disabilities are uninsured or underinsured. Often this is due to the fact that the cost to provide insurance for a child with significant disabilities may be unattainable for many families. Additionally, the limitations in many commercial insurance policies do not provide the services needed for a child with disabilities. Consequently, families of children with disabilities often purposely enter into poverty through divorce or employment decisions simply to qualify for publicly funded health insurance for their child.

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[14] Vote 9-0-2: Tim Graves, THCA, and Jean L. Freeman, Ph.D., DADS Council, abstaining.

[15] Vote 9-0-2: Tim Graves, THCA, and Jean L. Freeman, Ph.D., DADS Council, abstaining.
[16] Vote 9-0-2: Tim Graves, THCA, and Jean L. Freeman, Ph.D., DADS Council, abstaining.
[17] Vote 9-0-2: Tim Graves, THCA, and Jean L. Freeman, Ph.D., DADS Council, abstaining.
[18] Vote 9-0-2: Tim Graves, THCA, and Jean L. Freeman, Ph.D., DADS Council, abstaining.

In other cases, families are forced to make the difficult decision to institutionalize their child in order to obtain required services. Expanding Medicaid opportunities, on a sliding-fee basis, to families caring for children with disabilities will prevent families from remaining in or entering into poverty for the sole purpose of obtaining medical care for their child, and will prevent insitutional placements caused by the lack of needed services. The Committee recommends the development and implementation of a Medicaid Buy-In program for children with disabilities in families with income between 100 percent-300 percent of FPL.

INDEPENDENT LIVING OPPORTUNITIES AND RELOCATION ACTIVITIES

- **EXPANSION OF THE "PROMOTING INDEPENDENCE PRIORITY POPULATION" POLICY FOR INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES WHO RESIDE IN INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED (ICF/MR).**

Texas was the originator of the "money follows the person" (MFP) policy as codified under Subchapter B, Chapter 531, Government Code, 531.082 for individuals living in nursing facilities (NF). This state policy allows individuals in NFs to relocate to the community in order to receive their long-term services and supports predominately delivered through a 1915 (c) waiver program. In addition, NF residents do not have to be placed on an interest list for those services and may receive them as soon as they met all program eligibility criteria. Texas is recognized as a national leader in this movement and its policy was the basis for the MFP provisions within the federal Deficit Reduction Act (DRA) of 2005.

A similar provision does not exist for individuals residing in ICF/MRs. The reasons for not having this comparable policy are complex. Individuals in state mental retardation facilities (state schools) and large (fourteen or more bed) community ICF/MRs do have an opportunity to access the HCS program within six months and twelve months respectively because of the Promoting Independence Plan; however, this is not a MFP policy.

Recommendation 1: Expand the opportunity for expedited access to HCS for all individuals residing in ICFs/MR regardless of the size of the ICF/MR.[19] The Committee recommends sufficient funding in order that all individuals residing in ICFs/MR have an opportunity for expedited HCS access. Currently, expedited access for HCS is limited to individuals residing in large community ICFs/MR or state schools.

Recommendation 2: Eliminate the time period requirement for expedited access.[20] The Committee recommends full funding for the "Promoting Independence Priority Populations" that will result in individuals residing in community ICFs/MR or in state schools having immediate access to HCS slots.

[19] Vote 9-1-2: Carole Smith, Private Providers Association of Texas, against; Tim Graves, THCA, and Jean L. Freeman, Ph.D., DADS Council, abstaining.
[20] Vote 9-0-2: Tim Graves, THCA, and Jean L. Freeman, Ph.D., DADS Council, abstaining.

- **FUND DARS IN ORDER TO ADD AN ADDITIONAL THREE CENTERS FOR INDEPENDENT LIVING (CILs).**[21]

The federal Rehabilitation Act which is overseen by the Rehabilitation Services Administration created the development of Centers for Independent Living (CIL) s. The purpose of the independent living programs is to maximize the leadership, empowerment, independence, and productivity of individuals with disabilities and to integrate these individuals into their communities. CILs provide services to individuals with significant disabilities that help them remain in the community and avoid long-term institutional settings.

Prior to the 80th Legislative Session (2007), there were 21 CILs in Texas funded by federal and General Revenue funds which covered only 145 counties. The 80th Legislature (2007) added funding to the 2008-2009 General Appropriations Act (Title II, DARS, H.B. 1, 80th Legislature, Regular Session, 2007) to create two new CILs which will be developed in Laredo and Abilene. Nevertheless, this results in many parts of the state, especially in the rural counties, being without CIL coverage (xxx counties are without Title VII, Part C, CIL funding).

The Committee recommends that the 81st Legislature (2009) fund the addition of three more CILs.

- **PROVIDE INCREASED FUNDING FOR THE RELOCATION ACTIVITY THAT ASSISTS INDIVIDUALS IN NURSING FACILITIES TO RELOCATE BACK INTO THEIR COMMUNITY.**[22]

Currently, DADS receives $1.3 million in General Revenue (GR) to fund the relocation specialist activity and the support program “Transition to Life in the Community (TLC)”; HHSC also provides additional dollars for these support services. These activities are crucial in: the identification of individuals who want to relocate; education; facilitation; and coordination of the relocation process. However, individuals with more complex functional and medical needs require intensive supports in their relocation and there are an increasing number of these individuals who require assistance. With the advent of the “Targeted Case Management” rules by the Centers for Medicare and Medicaid Services, proposals to match relocation GR dollars are now tentative. It has been demonstrated that it costs less to serve an individual in the community versus in a nursing facility. The Committee recommends increased GR funding for relocation in order to assist more individuals back into the community, especially those with complex functional/medical needs.

[21] Vote 9-0-2: Tim Graves, THCA, and Jean L. Freeman, Ph.D., DADS Council, abstaining.
[22] Vote 9-0-2: Tim Graves, THCA, and Jean L. Freeman, Ph.D., DADS Council, abstaining.

- **FUNDING SHOULD BE PROVIDED TO HHSC/DADS TO ESTABLISH A PILOT PROJECT WHICH WOULD SUPPORT INSTITUTIONAL DIVERSION ACTIVITIES IN ORDER TO AVOID INITIAL INSTITUTIONALIZATION.[23]**

Individuals often seek institutionalization because they are in a crisis situation either due to an acute episode or a pending immediate discharge from an acute facility. The community-based services and supports are not in place to provide temporary assistance to avoid institutionalization. The state, subsequently, pays relocation contractors then to work with the individual in order for them to relocate back into the community. This process is expensive and there are many risks that the individual will lose their community residence and informal support system. The Committee is recommending funding to support a pilot project that would work with hospital discharge planners to establish linkages with the long-term services and supports systems to provide the necessary community-based supports.

HOUSING INITIATIVES

Affordable, accessible and integrated housing is an essential base requirement for individuals who want to relocate back into their communities. The Committee continues to advocate for the creation of housing units for individuals designated as Texas' Olmstead population.

Individuals who are relocating from nursing facilities or individuals who are in the targeted Olmstead populations under the Department of State Health Services' (DSHS) provisions must have integrated and affordable community housing. There are two substantial barriers – the poverty of individuals who are living at the Supplemental Security Income (SSI) level ($637/month), and/or the lack of easy access to wrap-around supports and services. The Committee makes the following recommendations:

Recommendation 1: Increase the baseline funding for the Texas Housing Trust Fund.[24] Texas does not provide significant amount of discretionary General Revenue funding for housing; the Housing Trust Fund is one of those limited funding sources. This funding is allocated to the Texas Department of Housing and Community Affairs (TDHCA,) and during the 80th Legislative Session, TDHCA received $5 million in General Revenue for the Housing Trust Fund (2008-2009 General Appropriations Act, Article VII, H.B. 1, 80th Legislature, Regular Session, 2007). However, this amount is not adequate to provide housing voucher incentives or increase the overall housing inventory for individuals who exist at the Supplemental Security Income (SSI) level and are aging and/or with disabilities.

[23] Vote 9-0-2: Tim Graves, THCA, and Jean L. Freeman, Ph.D., DADS Council, abstaining.
[24] Vote 9-0-2: Tim Graves, THCA, and Jean L. Freeman, Ph.D., DADS Council, abstaining.

Recommendation 2: HHSC should supplement the administrative fee for HOME Vouchers.[25] The HOME vouchers which include Section 8 and Tenant–based Rental Assistance (TBRA) are expensive and difficult to administer. There is a minimal amount of administrative overhead allowed in the overall funding made by the United States Department of Housing and Urban Development (HUD). This limited amount for administrative activities is a barrier in getting qualified contractors willing to administer the program.

HUD will only provide a four percent administrative fee which is supplemented by TDHCA with an additional two percent. In 2002, HHSC also provided funding (an additional four percent) to supplement the administrative fee to allow contractors to spend up to ten percent of the award on administrative activities. HHSC no longer provides the additional four percent in funding. The Committee recommends that HHSC's four percent additional support be reinstated.

Recommendation 3: TDHCA should continue to increase the amount of dedicated HOME vouchers for individuals relocating from institutional settings.[26]

Recommendation 4: The 81st Legislature should establish a separate General Fund to support individuals whose income is only up to the 300 percent of the Supplemental Security Income level who want to relocate from an institutional setting or remain in the community.[27]

[25] Vote 9-0-2: Tim Graves, THCA, and Jean L. Freeman, Ph.D., DADS Council, abstaining.
[26] Vote 9-0-2: Tim Graves, THCA, and Jean L. Freeman, Ph.D., DADS Council, abstaining.
[27] Vote 9-0-2: Tim Graves, THCA, and Jean L. Freeman, Ph.D., DADS Council, abstaining.