Dear Friends,

Superheroes are known for their special powers. As a young girl growing up in Dallas, I was dazzled by Wonder Woman, who wielded her bracelets and Lasso of Truth to fight evil and protect democracy. As an adult, I see parents exhibit real superpowers every day: protecting their kids from harm, flying to their side when they are hurt or scared, and summoning heroic powers to make sure their kids grow up healthy and strong.

But if all it took was the superhero dedication of Texas parents, Texas wouldn’t be consistently ranked as one of the nation’s worst states for children. Despite the resources and wealth we have in the Lone Star State, 1 in 4 Texas children live in poverty. With 1 out of 11 U.S. children currently living in Texas, how we invest in our children will determine not only the future of our state, but the future of our country.

Fortunately, we can all be superheroes for Texas kids. In 2015, leaders from across the state are converging in the state Capitol to make big decisions that will have lasting effects on all of our kids. We must dare our public officials to make smart investments in the next generation. And there is no smarter investment than helping Texas children thrive.

Where do we start? The good news is that common sense policy solutions have already demonstrated a superhero impact on kids’ lives. For example, together the Children’s Health Insurance Program (CHIP) and Texas Medicaid provide nearly 3.5 million children with access to medical coverage and preventative care they might not otherwise receive.

What next? This year’s superhero-themed Kids Count report highlights several ways we can dare Texas leaders to make this the best state for kids and their families. We have an amazing opportunity to expand access to quality, full-day pre-Kindergarten, which is related to better academic, health and economic outcomes. We can provide more support for families who step in to take care of kids who can no longer live with their parents. And we can find a solution to close the health insurance gap that still leaves far too many families without the health insurance that they need.

It’s time for us to stand up and be superheroes for all Texas kids. We invite you to use this report to identify where to focus our collective superpowers. Let’s work together and dare Texas to be the best state for children and families!

Sincerely yours,

Ann Beeson
Executive Director
Center for Public Policy Priorities
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The Annie E. Casey Foundation’s National KIDS COUNT Data Book ranks Texas the 43rd best state to be a kid based on economic well-being, health, education, family and community.¹

The Center for Public Policy Priorities’ State of Texas Children 2015 assesses child well-being in Texas, examines trends and patterns, and highlights positive policies that can help kids reach their full potential.

More than 7 million kids call Texas home, and nearly 1 in 11 kids in the U.S. lives in Texas.² The ability of our state—and country—to grow, prosper and innovate depends on the well-being of Texas kids.

We Dare Texas!

Key Policy Recommendations

To make Texas the best state for kids, WE DARE TEXAS TO...

- Invest sufficiently in public education to meet student needs.
- Expand Pre-Kindergarten statewide to full-day programs for currently eligible students.
- Close the Coverage Gap and expand health insurance coverage options for families.
- Provide more support for informal kinship caregivers, and streamline the process for accessing kinship care benefits.
- Raise the state minimum wage and change the state law that prohibits Texas cities from setting their own minimum wage.
Key Findings

Child Poverty & Family Economic Security

Though the unemployment rate in Texas is relatively low, the child poverty rate is high. That means working families don’t earn enough to keep kids out of poverty.

Health & Wellness

Texas is ranked 49th for the percentage of children with health insurance and 43rd for children’s consistent access to food.5

Education

The population of low-income students in Texas schools is growing, and research shows that high-quality Pre-K helps low-income kids succeed in kindergarten and beyond.

Child Safety

Many relatives and friends step up to provide homes for Texas kids, and most receive limited or no state support.

---

**Children in Poverty**

- 25% of 1,741,000 children experienced worsening 2009.

**Unemployment Rate of Parents**

- 5% of 251,000 Texans experienced improvement 2009.

**Children (under 18) without health insurance**

- 13% of 888,000 children experienced improvement 2009.

**Children living in food-insecure households**

- 27.4% of 1,899,310 children experienced worsening 2010.

**Economically disadvantaged students**

- 60.1% of 3,096,050 students experienced increased 2009-10.

**Public Pre-K enrollment for 4-year-olds**

- 53.4% of 203,648 students experienced increased 2009-10.

**Kids in informal kinship care**

- 4% of 253,000 children remained unchanged 2009-11.

**Children in foster care**

- 4.2* per 1,000 children of 30,406 children experienced decreased 2010.

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* per 1,000 children
Texas kids have reflected the rich cultural heritage of America for some time. Our location on the border with Mexico has produced a long history of both the benefits and challenges of racially and culturally diverse populations. What makes Texas unique—from different cuisines, musical styles, and industries—reflects the richness of our people and our openness to innovation.

Today, Texas is proud to be home to the most racially and ethnically diverse cities in the country. In fact, the Houston metropolitan area is the most racially diversified of the ten largest metro areas—more diverse than the metro regions of New York, Los Angeles, Chicago and others. Families from all over the country and world continue to flock to Texas because of a belief that Texas holds opportunities for everyone.

ALTHOUGH HISPANICS IN TEXAS HAVE HIGHER LABOR-FORCE PARTICIPATION AND EMPLOYMENT RATES THAN NON-HISPANIC WHITES, TEXAS’ HISPANIC FAMILIES ARE ALMOST 4X MORE LIKELY TO LIVE IN POVERTY.13

Bigger obstacles face Texas’ Black and Hispanic children

To benefit most from the strengths of our diverse population of kids, our policies, institutions and leaders need to serve all Texas kids. Unfortunately, the odds are stacked against many children who are less likely to have all the resources and opportunities needed to reach their highest potential—like good health, good schools, and financially stable families. According to the National KIDS COUNT Project, Hispanic and Black children face bigger obstacles to meeting key milestones to become middle class by middle age. Furthermore, the analysis shows that Hispanic children in Texas generally face bigger obstacles than Hispanic children in other states like California and New York.15

Texas children hail from many different backgrounds. We dare Texas to enact and defend policies and practices that ensure all Texas kids have the opportunity to succeed, regardless of race, ethnicity or place of birth. We dare Texas to defend the Texas Dream Act and protect the pathway to higher education that Texas students have used for the past 14 years. (For more, see page 6.)
Texas kids, new American families

Approximately 2.3 million children (33 percent of Texas children) live in families with at least one parent born outside of the U.S. Of those Texas children, close to 302,000 were born outside of the United States as well.

Immigrants in Texas are critical to the state’s economic strength and contribute billions in economic output annually to the Texas economy. Immigrant parents are a diverse group, representing numerous countries, education and income levels. Low-income immigrant families in particular face additional hurdles successfully navigating education, health and financial systems, including a patchwork of eligibility for programs that can be complex. In Texas, legally residing children are eligible for the Supplemental Nutrition Assistance Program (SNAP), Medicaid and the Children’s Health Insurance Program (CHIP). Free and reduced-price meals provided at schools or child care centers and healthy food benefits provided through the Women, Infants and Children (WIC) program are available to all children who are income-eligible and, under federal law, do not focus on immigration status. However, even when children are eligible for services as U.S. citizens or lawfully present immigrants, parents are often ineligible even when they are legally present. Many families (incorrectly) worry that their children’s use of public benefits will prevent them from gaining citizenship or legal status in the future. Others fear that contact with public systems could lead to deportation and splitting of families. Complex eligibility rules combined with fears of negative immigration consequences act as barriers to children’s access to services.

One bright spot in Texas is the “Texas Dream Act” (H.B. 1043), which passed in 2001 with bi-partisan support. The law extends in-state tuition and grant eligibility to non-citizen residents of the state. Giving all Texas students the opportunity to succeed benefits both kids and the state, which is boosted by a more educated workforce.

A GLOBAL TEXAS

ONE IN THREE TEXAS CHILDREN LIVE WITH A PARENT BORN OUTSIDE THE U.S.

PERCENTAGE SHOWS WHERE TEXAS PARENTS WHO ARE IMMIGRANTS MOVED FROM: LATIN AMERICA, EUROPE, ASIA OR AFRICA
Child Poverty

Texas should be a place where a child’s beginnings, however humble, do not limit life’s path. Today more than 1.7 million children in Texas live in poverty, or 25 percent of all Texas children. Poverty affects children in many ways. Children living in poverty tend to have worse health than children who do not live in poverty. Low-income children also tend to perform less well on standardized tests of math and reading. They are also at higher risk for abuse and neglect. Childhood poverty’s effects can continue throughout adulthood. Children who live in poverty are less likely to complete high school and to attend and complete postsecondary education or training, which affects their job opportunities and earnings. As adults, they are more likely to suffer from chronic health conditions such as asthma, diabetes and heart disease. All of this results in a higher likelihood of living in poverty as an adult.

Although the effects of poverty can be damaging, poverty is not destiny. Investing in services for children like early childhood and K-12 education, health and mental health care, and nutrition supports both alleviates the difficulties of living in poverty and can lift children out of poverty in the long term. Equipping parents with the skills, tools and incomes they need to create stable families has immediate as well as long-term benefits for kids.

Although Texas has a high child poverty rate compared to the United States, state policies can lift more families out of poverty and alleviate its harmful effects on children. As Texas’ child population continues to grow and diversify, the public, nonprofit and private sectors must join together to make sure all Texas kids have the chance to compete in life. We dare Texas to take a long-term view, and invest in low-income kids so that they can become prosperous adults.
4 Questions (and Answers) about Poverty in Texas

1. **What is Poverty?**
   Poverty is an official income threshold defined by the U.S. Census Bureau. Families with incomes below the following thresholds are considered to be living below the “poverty line.”

<table>
<thead>
<tr>
<th>FAMILY SIZE</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Max. Yearly Income for Household</td>
<td>$12,119</td>
<td>$16,057</td>
<td>$18,751</td>
<td>$23,624</td>
</tr>
</tbody>
</table>

2. **How many Texas kids live in poverty?**
   Approximately 1,741,000 children, or 25 percent of Texas kids lived below the poverty line in 2013.

3. **How does child poverty differ by race in Texas?**
   Percentage of kids living in poverty by race/ethnicity, 2013:
   - Asian & Pacific Islander: 11%
   - Black or African American: 34%
   - Hispanic or Latino: 34%
   - Non-Hispanic White: 11%
   - Two or More Races: 21%

4. **How does poverty differ by family type in Texas?**
   Percentage of households with kids living in poverty by family type, 2013:
   - Two Parents: 11%
   - Single Dad: 22%
   - Single Mom: 42%
A Healthy Start in Life

All Texas kids deserve a healthy start in life. More than 382,000 babies were born in Texas in 2012—382,000 new beginnings and opportunities to grow, live and thrive.39

However, eight percent of babies in Texas were born at low birthweight, giving them a riskier start in life.40 Low birthweight babies are at higher risk for disability, developmental delays and death within their first year. Low-birthweight babies are also more likely to face challenges in school.41

There are many causes of low birthweight, but a mother’s health and wellness both before and during pregnancy is critical to a healthy start for her baby. Women with chronic health problems, such as obesity and diabetes, also are more likely to have low-birthweight babies. Other factors associated with low birthweight include maternal smoking, stress and violence endured by pregnant women.42

Reducing the Teen Birth Rate Means a Brighter Future for Two Generations

One way to improve the chances of a healthy start for two generations of kids is to help teens delay having children until they’re ready. Teen mothers are more likely to live in poverty, and the children of teen mothers are also more likely to be born at low birthweight, face health problems and development delays, and perform poorly in school.44

In 2012, 11 percent of babies in Texas were born to teen mothers. The teen birth rate has gone down steadily over the years, for teens of almost all races and ethnicities. The largest decrease have been observed in Black teens, although their rates are still higher than most other groups in Texas.45 Texas also has the highest rate of repeat births to teens.46

From 2008-2012, teen birth rates declined for Hispanic, Black and White teens.47

2012 Percentage of Births to Teens

Largest Decrease

<table>
<thead>
<tr>
<th>Race</th>
<th>Decrease</th>
<th>2012 Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hispanic</td>
<td>14%</td>
<td>13.9%</td>
</tr>
<tr>
<td>Black</td>
<td>12%</td>
<td>7.3%</td>
</tr>
<tr>
<td>White</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>11%</td>
<td></td>
</tr>
</tbody>
</table>
The ability to plan when you want to have children is an essential part of the health and wellness of many Texans, but delaying childbirth is especially important for Texas teens. We dare Texas to maintain and improve access to family planning services, which helps more teens invest in their futures and more babies get off to the best start possible.

We dare Texas!

Access to health care is especially important for pregnant women. However, women of childbearing age are the least likely age group of women to have health insurance in Texas. We dare Texas to expand health insurance coverage options to women of childbearing age—an important step toward healthier women, healthier moms and healthier babies.

Healthy Moms, Healthy Babies

A woman’s health supports her baby’s health—both before and during pregnancy. That’s why it’s critical to make sure women who may become pregnant have access to a healthy diet and medical care long before they become mothers.

Unfortunately, women of childbearing age are the group of women least likely to be insured in Texas, leaving them without affordable access to doctors during an important time for both their health and their babies’ health. One in three women between ages 18 to 44 in Texas does not have health insurance. And one in three babies are born to women who received late or no prenatal care, a critical time when women can receive care and education on how to reduce the risk of complications during pregnancy.

Many pregnant women and new moms cannot always get the nutrition they need because their incomes are too low for them to have consistent access to healthy foods. The Special Supplemental Nutrition Program for Women, Infants and Children Program, also known as WIC, helps expectant and new mothers and their children get the healthy food and health screenings necessary during and after pregnancy. The Supplemental Nutrition Assistance Program (SNAP) also helps low-income women at risk for hunger.

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We (Double) dare Texas!

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Nutrition: An Apple a Day

Adequate nutrition and a healthy diet are the foundation of good health and the prevention of illness.51

Unfortunately, 27 percent of Texas kids (1.9 million) live in food-insecure households.52 Living with food insecurity means kids’ access to nutritious food to support a healthy life is limited and uncertain. Food insecurity can harm children’s growth and development. A lack of access to nutritious food can mean kids have a harder time focusing in school, and experience more behavioral and social problems.53 Starting the school day with breakfast helps kids learn, and eating breakfast regularly has been linked with healthier diets overall.54

Food insecurity happens when families with low incomes struggle to make ends meet. According to Feeding America, the national network of charitable food banks, it is very common for households surviving on limited budgets to be confronted with the dilemma of choosing between food and other basic necessities, such as utilities, medical care, transportation and housing.55 In these households, parents worry about whether food will run out before money becomes available to buy more; they rely on low-cost, low-nutrition food to make their dollars stretch; meals are downsized or skipped; or kids simply go hungry.56

“FOOD-INSECURE” HOUSEHOLDS MUST COMMONLY CHOOSE BETWEEN FOOD AND OTHER NECESSITIES.57

NUTRITION PROGRAMS HELP FILL THE GAPS FOR TEXAS KIDS58

WHEN FAMILIES AREN’T ABLE TO FEED THEIR KIDS REGULARLY OR PROVIDE ENOUGH NUTRITIOUS FOOD, OUR PUBLIC NUTRITION SYSTEM CAN HELP FILL THE GAP.

2.4 MILLION LOW-INCOME KIDS

NATIONAL SCHOOL LUNCH PROGRAM

SNAP

SCHOOL BREAKFAST PROGRAM

2.4 MILLION LOW-INCOME KIDS

1.5 MILLION LOW-INCOME KIDS

FOOD

HEALTH CARE

FOOD

TRANSPORTATION

FOOD

HOUSING

2.4 MILLION LOW-INCOME KIDS

NATIONAL SCHOOL LUNCH PROGRAM

SNAP

SCHOOL BREAKFAST PROGRAM

2.4 MILLION LOW-INCOME KIDS

1.5 MILLION LOW-INCOME KIDS

WHEN FAMILIES AREN’T ABLE TO FEED THEIR KIDS REGULARLY OR PROVIDE ENOUGH NUTRITIOUS FOOD, OUR PUBLIC NUTRITION SYSTEM CAN HELP FILL THE GAP.
The 2014-15 school year is the first for schools implementing the Community Eligibility Provision (CEP). This option allows high-poverty schools to provide free breakfast and free lunch to all students, without depending on individual student applications. From the students’ perspective, school-provided meals become part of the school day, so a rumbling stomach is one less distraction from learning. Schools are reimbursed through a formula based on the number of students identified as low-income through participation in other programs (such as SNAP), foster care or homeless education services. 

Nearly 3,500 Texas schools are currently eligible for CEP, representing almost 2 million students who can eat free breakfasts and lunches. For 2014-15, 1,483 schools decided to implement CEP, increasing local schools’ revenue and feeding more kids. Combining CEP with creative ways of serving meals, such as “Breakfast in the Classroom,” makes school meals (and breakfast in particular) accessible to even more Texas kids.

School districts feed more kids and increase revenue with free breakfast for all

In the 2013 legislative session, recognizing that many kids were skipping breakfast both at home and at school, Texas passed SB 376 into law, a policy change that will help more kids eat a healthy breakfast at school. The law requires high-poverty schools to offer free breakfast to all students, reducing the stigma of eating breakfast at school and increasing participation among kids who may have started the school day hungry. In the Littlefield Independent School District, although 76 percent of students were eligible for free or reduced price meals in September 2014, only 26 percent of these low-income students were participating in the School Breakfast Program. After implementing free breakfast for all students at its four campuses, Littlefield ISD more than doubled breakfast participation. Revenue also increased to their school nutrition programs, making it a “win-win” for students and schools.

We dare Texas to recognize the vital role that schools play in kids’ nutrition and reward the schools doing an exemplary job. It’s a small price to honor a big job well done.
Health Care Access

Every day, too many Texas parents live in fear that their families will get sick—knowing they can’t afford a doctor’s visit or trip to the emergency room. In 2013, 1 out of 8 Texas kids were uninsured. Uninsured kids often miss out on regular check-ups, diagnostic screenings for serious health conditions and critical preventive care. Research shows that uninsured kids are more likely to be in poorer health than their insured peers. They are also more likely to experience higher rates of hospitalization, greater unmet mental health needs and even increased rates of truancy and decreased educational success.

In recent years, the uninsured rate for children—both nationally and in Texas—has steadily declined, spurred in large part by Medicaid and the Children’s Health Insurance Program (CHIP). Between 2008 and 2013, the uninsured rate for Texas children dropped by nearly one-third. Although Texas is moving in the right direction, 888,000 Texas kids still lacked coverage in 2013. Furthermore, low-income kids (below 200 percent of the poverty line) are the most likely to be uninsured despite being eligible for coverage through Medicaid or CHIP.

**Texas kids’ uninsured rate has decreased—but it’s still the second highest in the nation.**

Even though one out of eleven kids lives in Texas, we account for one out of six uninsured kids.
We know that kids are more likely to be insured when their parents are insured. In 2013, Texas’ uninsured rate among adults (ages 18-64) was 29.9 percent—the highest of any state and 9.6 percentage points higher than the national rate.70

However, with the implementation of the Affordable Care Act (ACA), more Texas parents are gaining access to affordable insurance through federal subsidies designed to offset premium costs. As of February 6, 2015, more than 1,015,000 individual plan selections and re-enrollments were made in Texas through the federally-facilitated Health Insurance Exchange, up from nearly 734,000 in 2014.71 We also know that 84 percent of Texas’ 2014 enrollees received federal financial assistance to help pay for their health insurance premiums. While it’s unclear exactly how many of these individuals were uninsured prior to 2014, initial estimates report a 2.4 percentage point decrease in the uninsured rate for Texas adults from September 2013 through June 2014.72

Kids are also seeing rising rates of public coverage thanks largely to increased awareness via the Marketplace. Early estimates report that CHIP and Medicaid are covering approximately 200,000 additional eligible children.73

Despite federal subsidies, many Texas parents still won’t have access to affordable coverage. A provision of the ACA underwrites a state-level Medicaid expansion for adults living below 133 percent of the poverty line. Texas is one of 23 states that have opted not to expand Medicaid with federal funds;74 if continued, this decision will cost the state a projected $66 billion in federal health care dollars over nine years.75 Because the ACA was written with the expectation that America’s poorest adults would receive coverage through the Medicaid expansion, subsidies were only established for adults with incomes between 100 and 400 percent of the poverty line.

By failing to expand Medicaid, Texas has created a “coverage gap” for the nearly one million Texas adults with incomes below 100 percent of poverty (approximately $19,790 for a family of three) who are also unable to obtain federal subsidies.76

The Coverage Gap

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Currently, Texas Medicaid covers parents or caretakers with annual incomes up to $4,600 – currently 19 percent of the poverty line for a family of four. Kids are covered – through Medicaid or CHIP – up to 200 percent of the poverty line.
How the Coverage Gap Impacts Texas' Poorest Parents: The Difference $1000 Makes

Coverage Gap for Texas Parents/Caretakers

- **Coverage Gap:** No Subsidies and no Medicaid
- **Medicaid:** 19% $4,637
  - 79% of Poverty $24,250
- **400% $97,000 Annual Income for a family of 4**

Family of Four Making $23,500
(96% of the poverty line)

- **Kids = Covered** (Through Medicaid)
- **Parents = No Medicaid and no federal subsidies** = $440 per month to purchase a silver plan on the Health Care Marketplace (21.6% of household income)

Family of Four Making $24,500
(101% of the poverty line)

- **Kids = Covered** (Through Medicaid)
- **Parents = Access to Marketplace subsidies** = $43 per month to purchase a silver plan on the Health Care Marketplace (2.2% of household income)
Texas’ decision to opt out of expanding Medicaid to working parents also means missing a huge opportunity for eligible, uninsured kids. We know that one of the most effective ways to increase kids’ Medicaid and CHIP enrollment is to expand Medicaid to parents—the “welcome mat effect.” Children who lived in states that expanded Medicaid to cover parents in the late 1990s had a 20 percentage point higher participation rate in CHIP and Medicaid than children who lived in states that did not. Studies also show that extending Medicaid to uninsured parents reduces breaks in coverage for children and increases consistency of regular check-ups and preventative care.  

**The ACA, Kids and the “Welcome Mat” Effect**

The Affordable Care Act contains several provisions that impact access and quality of kids’ health care, including:

- Elimination of preexisting conditions
- Extension of a child’s eligibility to stay on parental coverage until age 26
- Requirement that all insurance plans cover maternity and newborn care, preventative care, pediatric services, and emergency services

Low-income families with uninsured parents are three times more likely to have uninsured kids compared to parents with Medicaid or private insurance.

In 2013, more than half of Texas’ 888,305 uninsured kids were eligible for Medicaid or CHIP.

We dare Texas!

All families deserve to be healthy. We dare Texas to craft a compromise with federal Medicaid officials, as other states have done, to close the Coverage Gap and insure adults below 133 percent of poverty.
Texas leaves low-income students further behind

Texas stands at a crossroads. As the share of low-income students in Texas public schools grows (currently 60 percent), ensuring that all students are educated—regardless of family income—is critical to the future of Texas. In his ruling, State District Judge John Dietz declared that state funding was insufficient for educating students, and in particular low-income students, as guaranteed by the Texas Constitution.

"Texas’s future depends heavily on whether it meets the constitutional obligation to provide a general diffusion of knowledge—such that all students have a meaningful opportunity to graduate college and career ready… Unfortunately, in recent years, Texas has defaulted on its constitutional promise."84

- Judge John Dietz, School Finance Case, District Court Ruling, August 28, 2014

For low-income students, each new grade brings a greater likelihood of falling further behind. One measure of student progress is STAAR, Texas’ current standardized annual testing assessment. Low-income students consistently score lower on STAAR tests, beginning as early as third grade – when STAAR is first administered. And STAAR scores matter; in certain years, failing to pass the test within three tries can lead to a student being retained.

In every grade, Texas’ low-income students are retained at a higher rate (high school low-income students are 2.4 times more likely to be retained than their non-low-income peers). Research suggests that students who are retained struggle academically later in school and drop out more – which is particularly troublesome for low-income kids who are already more likely to drop out. In 2013, the graduation rate for low-income students was 85.2 percent—nearly 6 percentage points below the graduation rate for non-low-income students.88
Demographics don’t have to be destiny for Texas kids’ education

Although family income and race are associated with higher student dropout rates, these factors do not control kids’ destinies. The Pharr-San-Juan-Alamo Independent School District (PSJA) student body is 99 percent Hispanic, 89 percent economically disadvantaged, and 41 percent English language learners—rates far higher than state averages. Given statewide data, most people would expect PSJA to have higher than average dropout rates. But thanks to committed leadership and innovative approaches to dropout recovery, early college high schools, and dual enrollment, PSJA ISD’s longitudinal dropout rate is only 3.2 percent, less than half of the state’s dropout rate (6.6).90

State education budget does not meet students’ needs

Funding for public education has drastically decreased at the state-level in recent years. Rather than providing districts with more resources to meet higher standards, in 2011, Texas cut $4 billion from school district formula funding and $1.3 billion from education programs and grants, including high school completion grants and others which benefitted low-income students. In 2013, Texas restored some funding to the education budget, but not enough to fill the hole and meet the constitutional standard to provide an adequate education to all students.91

<table>
<thead>
<tr>
<th>2011</th>
<th>TEXAS CUT $1.3 BILLION IN EDUCATION PROGRAMS AND GRANTS THAT MOSTLY BENEFITED LOW-INCOME STUDENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>TEXAS ADDED $100 MILLION (PRIMARILY ONE-TIME FUNDING)</td>
</tr>
<tr>
<td></td>
<td>-1.2 BILLION IN EDUCATION PROGRAMS AND GRANTS</td>
</tr>
<tr>
<td></td>
<td>-$392 PER STUDENT</td>
</tr>
</tbody>
</table>

2011 still leaving a hole (from 2011 levels)
Pre-K: Setting kids up for success

The relationship between school success and economic status is present as early as kindergarten, and unfortunately, kids who start behind tend to stay behind. Low-income kids consistently lag behind their non-low income peers in the four areas of child development (social-emotional, language and communication, early literacy, and mathematics) that define kindergarten school readiness. Well-funded, high-quality pre-kindergarten programs have been shown to substantially shrink the school readiness gap, giving our most vulnerable kids a greater chance to succeed.

Currently, Texas school districts offer half-day, voluntary pre-K for four-year-olds who are low income, have limited English proficiency, are in foster care, or meet other measures of need. Studies show that kids who attend high quality pre-K have higher high school graduation rates, lower rates of teen pregnancy, and fewer run-ins with juvenile justice. They also routinely do better on standardized reading and math tests. Benefits of pre-K also extend well into adulthood—adults who attended pre-K earn more, are less likely to be arrested for violent crimes, and have higher rates of employment.

Investing in pre-K benefits kids, and it financially benefits the state in the long run. A recent study shows that for every dollar invested in high-quality pre-K, $3.50 is saved by the state of Texas, while another study indicated a 7 to 10 percent annual return on investment in pre-K. These returns are linked, in part, to kids who are better prepared for their K-12 education (e.g. lower retention rates), a lower crime rate, and decreases in participation in public programs.

Low income kids who attended pre-K are 2.1 times more likely to be school ready than low-income kids who did not.

Every dollar invested in pre-K saves Texas a minimum of $3.50.
Texas missed the mark on 8 out of 10 Pre-K quality standards.103

- Teacher BA
- Teacher specialized pre-k training
- Asst. teacher: Child Dev. Assoc. credential
- Class size ≤ 20
- Staff-child ratio ≤ 1:10
- Health screenings/referrals
- Min. 1 meal/day
- Reg. site visits by state/local agency

- Comprehensive early learning standards
- Teacher in-service ≥ 15 hrs/yr

However, to get the highest return on investment, pre-K must meet the level of quality our kids deserve. Unfortunately, Texas is ranked last in the nation in terms of pre-K quality.104 Pre-K funding can help improve quality by providing smaller class sizes and highly trained teachers.

By sufficiently investing in our public schools, we ensure that more kids have a better shot at success in school and in life. Investing in students now means a happier, healthier, and better prepared Texas workforce in the future. We dare Texas to fund public education at a level adequate to meet student need and Texas constitutional requirements.

**WE (DOUBLE) DARE TEXAS!!**

Access to high-quality pre-k is essential for helping Texas kids grow up happily and successfully. We dare Texas to expand half-day pre-K to full-day pre-K for low-income and other eligible kids, so that all children enter kindergarten ready to learn. We dare Texas to plan long-term, and enrich kids' minds now so that they can grow into thriving adults in the future.
Kids deserve stable and strong families to keep them safe. Sadly, not all kids have that support. Abuse and neglect in the home can have long-lasting, devastating consequences on a child’s future. Fortunately, effective preventative measures and early interventions can drastically decrease the likelihood of abuse and increase a child’s ability to overcome abuse or neglect if it does occur.

The Texas Department of Family and Protective Services (DFPS) plays two roles in protecting Texas kids from this abuse and neglect. In the best case scenario, DFPS supports struggling families to keep kids safe in their own homes. However, if an environment is deemed unsafe, DFPS will step-in to remove an at-risk child from the home and assume custody.

Research indicates that children do better when they remain with their families—provided they are kept safe. To encourage this, DFPS can provide family-strengthening services including counseling, child care and substance abuse treatment. When possible, DFPS will also provide services for at-risk kids and their families to prevent abuse or neglect from occurring and to keep kids at home.

Investing in preventive and family-based services helps kids stay with their families, and that makes sense—both in terms of child wellbeing and financially for the state. Unfortunately, not only are preventative and family-strengthening programs routinely underfunded, they have also historically been the first target for budget cuts. Failing to adequately fund programs that strengthen families means more kids must be removed from their homes—increasing the cost of Texas’ foster care system and the number of hurt Texas kids.

In 2014, the majority of Child Protective Services (CPS) confirmed cases were for neglect. In 2014, 66,572 Texas children were confirmed as victims of abuse or neglect. The Texas Department of Family and Protective Services (DFPS) plays two roles in protecting Texas kids from this abuse and neglect. In the best case scenario, DFPS supports struggling families to keep kids safe in their own homes. However, if an environment is deemed unsafe, DFPS will step-in to remove an at-risk child from the home and assume custody.

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Relatives step up when parents struggle to care for kids

When a child’s safety cannot be reasonably assured, DFPS will step-in to remove the child from his or her home. When a child must be removed their parents’ custody, the least traumatic option is usually to place the child with relatives in formal kinship care.

**Kinship Care Arrangements**

- **Informal Kinship Care**
  Children are cared for by a relative or family friend without the involvement of state authorities.

- **CPS Voluntary Placement Kinship Care**
  CPS oversees the temporary placement of a child with a relative or close family friend.

- **CPS Formal Kinship Care**
  Children are removed from their parents’ custody by the state and placed in the care of a relative.

While some kinship care arrangements are court-established, most are settled by families with little or no state interaction. In fact, 90 percent (253,000 children) of all kids living away from their parents live in informal or voluntary kinship care.110

**More Kids are Living with Relatives**111

- **Formal Kinship Care**

  - **Exiting Foster Care to Live with Relatives**
    - **2002-2012**
      - Up 15 % Pts
    - **2009-2012**
      - Up 8.7 % Pts

Non-formal kinship caregivers are often financially unprepared for the sudden care of a child, and because there is no streamlined process for learning about aid, these families have difficulty accessing available financial help. Those who do find that funds are often insufficient to meet the needs of a family. While formal kinship caregivers are eligible for state financial assistance and support services (e.g., child day care), voluntary kinship caregivers are eligible for support services only, and informal kinship caregivers are eligible for neither.112

One of the few sources of cash support for non-formal kinship caregivers is Temporary Assistance for Needy Families (TANF), which is federally funded, but administered by Texas. In 2013, the maximum TANF payment to non-formal kinship caregivers was about $3 per day per child. By comparison, formal kinship caregivers who became licensed foster care providers received an average payment of $62 per child per day.113

We dare Texas!
Family Economic Security

The economic security of the whole family is critical for children’s success. All families juggle many responsibilities and tasks, but when parents don’t earn enough, it’s more likely that kids will face obstacles like a lack of stable or safe housing and fewer educational and enrichment opportunities. Making sure parents earn enough helps to strengthen families and sets the stage for healthy, well-educated kids.\textsuperscript{114}

But too many jobs in Texas pay too little to support families. In fact, nearly half of kids in Texas (45 percent, or 2.7 million kids) live in low-income, working families.\textsuperscript{115} Not only do too many Texas jobs pay too little, but many low-wage jobs have volatile schedules that pose barriers to regular or high-quality child care, or do not offer health insurance to workers and their families.\textsuperscript{116}

Parent employment is necessary for economic stability, but it’s not always sufficient in Texas. Generally, states with lower unemployment rates for parents have lower child poverty rates, and states with higher unemployment rates for parents have higher child poverty rates. Texas is one of the few exceptions with high child poverty rates (25 percent) and low parental unemployment rates (5 percent).\textsuperscript{117}

Texas has low parental unemployment rates and high child poverty rates.\textsuperscript{118} Although most parents work in Texas, a significant number of their jobs don’t pay enough for their families to get by without additional supports or making difficult tradeoffs, such as sharing housing, cutting back on food, or risking life without health insurance. Texas also has a higher proportion of workers earning the very minimum. Although minimum-wage jobs are decreasing as a share of hourly employment since a high of 9.5 percent of workers in 2010, Texas still had the fifth-highest proportion of workers paid hourly rates earning at or below the federal minimum wage (6.4 percent in 2013), after Tennessee, Idaho, Alabama and Arkansas.\textsuperscript{120}
Texas is among the states with the highest prevalence of economic adversity for kids.\textsuperscript{124}

A growing body of research shows that the stress of sustained economic hardship can potentially have lasting negative effects on children. When families find it difficult to cover the costs of basics like food and housing, the profound stress on children and adolescents is linked to poor outcomes such as low engagement and problems in school, grade repetition, poor physical health, difficulty finishing tasks, and difficulty managing emotions when in challenging situations.\textsuperscript{122}

This “toxic stress” stems not from the trauma of a singular catastrophe, but the sustained daily catastrophes that come from growing up without enough to get by. In Texas, the most common potentially traumatic childhood experience is not divorce or parental substance abuse; it is economic hardship.\textsuperscript{123}

We dare Texas to raise the minimum wage, and allow Texas cities to set their own local minimum wages.

Texas should be the best state for hardworking people and their families. Too many Texans with jobs struggle to make ends meet. We dare Texas to raise the minimum wage, and allow Texas cities to set their own local minimum wages.
Texas is a leader on the national stage. Whether the state continues to grow, prosper and innovate depends not only on the state’s natural resources and its physical infrastructure, but also on its people. Healthy, educated and financially secure people will drive the Texas economy.

State policies touch all different aspects of our lives, and they are especially important for kids. State policies and resources are connected to whether schools are able to hire and retain high-quality teachers, children have access to health care regardless of family income, and parents have enough resources to provide stability for their kids. All of these elements, and more, go into whether or not Texas is a great place to be a kid.

In 2014, the Annie E. Casey Foundation’s National KIDS COUNT Data Book ranked Texas the 43rd best state to be a kid. The ranking was based on a variety of outcomes in education, health, family and community, and economic well-being. The question is...

What would it take for Texas to be the #1 state to be a kid?

According to the national KIDS COUNT analysis, being #1 would require enrolling 172,000 more young children in preschool, insuring 795,000 more kids, and lifting 880,000 children out of poverty, among other improvements. Reaching those goals requires some “intangibles” – bold leadership, a committed civil society, and greater understanding of children’s needs. But it also requires greater and smarter investments in tools and policies that we know can make a big difference.

We know what it takes. A study of the Texas budget over 20 years found that greater investments through the state budget—in kids’ education, health, and safety—were related to better outcomes for kids, such as higher graduation rates and lower uninsured rates. To be the #1 state for kids, more Texas kids need access to affordable health care and a healthy diet. To be #1, more Texas kids need to enter school ready to learn, and their families need greater opportunities to earn a living wage. Will you take the dare to help us make Texas #1 for kids?
Kids Count Data Center

Access current and reliable child well-being data related to education, employment and income, health, poverty and youth risk factors. Data are available for the U.S., Texas and all of Texas’ 254 counties, as well as for many cities, and congressional districts.

datacenter.kidscount.org

Questions you can answer using the Kids Count Data Center

How does my county compare to others on child poverty?

How many kids in Texas live with single parents?

Which counties are doing a good job preventing childhood hunger?
“[It’s] easy for me to chart trends I use in presentations in front of legislative committees or other advocacy organizations.”

—Sophie Phillips
Director of Research
TexProtects

“[The Kids Count Data Center] makes it easier to analyze the four counties that we serve and their diverse needs.”

—Katharine von Haefen
Senior Program Manager
United Way of Houston
6. 2013 ACS, 1-yr (Table C27001). http://bit.ly/1A0D9p4. State child uninsured rates and state-to-U.S. uninsured comparisons are reported using one-year ACS data. County child uninsured rates and county-to-state uninsured comparisons are reported using Census’ Small Area Health Insurance Estimates. Note: ACS estimates are for children, ages 0-17, while SAIFE estimates are for children, ages 0-18.
11. CPPP analysis of DFPS foster care data and TXSDC population data (ages 0-17) http://bit.ly/1CfV9lO.
13. Employment status by race (Table S2301) and family results. http://bit.ly/1vAKq0Y.
17. See note 16.
23. See note 21.
24. Texas residency for non-citizen residents is defined in H.B. 1403 (2001) as maintaining continuous residency for at least three years before entering a high school diploma and the year before enrolling in higher education. http://bit.ly/1DLKvW3 Students must also sign an affidavit declaring their intent to apply for Legal Permanent Resident status as soon as they are able.
32. See note 29.
35. 2013 poverty thresholds, http://1.usa.gov/1AaWkilt. Families are adult + 1 child, adult + 2 children + 1 child, and 2 adults + 2 children (adults under 65). Thresholds are used for official poverty statistics and differ from poverty guidelines, used for administrative purposes such as determining program eligibility.
38. CPPP analysis of 2013 ACS 1-yr (Table B17012). http://1.usa.gov/17qBpNi.
39. 2014 Texas Health Data – Births to Texas Residents, DSHS. http://bit.ly/1zCIgZ.
40. “Low birthweight” is defined as less than 5.5 pounds. CPPP analysis of DSHS birth data, see note 39.
43. See note 40.
47. See note 45.
48. CPPP analysis of 2013 ACS 1-yr (Table B27001). http://1.usa.gov/1zbP9k.
49. See note 45.
57. See note 55.
58. SNAP data: Due to undercount in early estimates of SNAP recipients by age, CPPP used 2013 USDA data on Texas SNAP Participation (all ages), http://1.usa.gov/1CAzgCr, and applied 2013 HHSC average monthly percentage of SNAP recipients that were children. National School Lunch and Breakfast data: CPPP analysis of 2013-14 NSLP data.
59. CPPP analysis of TDAP CEP site eligibility data. See also Cooper, R. (2014). Texas schools, raise your hands for a better way to feed students. CPPP http://bit.ly/1K6QcWp.
60. See note 59.
61. CPPP analysis of Sept & Oct 2014 and Sept & Oct 2015 NSLP data for Littlefield ISD. The participation rate of students eligible for free/reduced price breakfast is calculated as the Average Daily Participation of free/reduced price breakfast for Sept and Oct, divided by the average number of students eligible for free/reduced price meals in Sept and Oct.
62. CPPP analysis of 2013 ACS (Table DP03). http://1.usa.gov/1Gn3tW. State child uninsured rates and state-to-U.S. uninsured comparisons are reported using one-year ACS data. County child uninsured rates and county-to-state uninsured comparisons are reported using Census’ Small Area Health Insurance Estimates.
66. “Low-income” is defined as less than 200% federal poverty threshold. CPPP analysis of 2013 ACS, 1-yr (Table B27018). http://1.usa.gov/1zZv3N.
Endnotes

86. See note 70.
87. See note 69.
88. 2013 ACS, 1-yr (Table S2701). http://1.usa.gov/1yu5MHS
92. As of Jan 2015, 23 states had not expanded Medicaid. However, four are currently considering the expansion. For most current data, visit http://bit.ly/1pMoMk
96. Healthcare.gov. Assuming typical silver plan. Based on calculations for a family of four, ages 25, 23, 12 and 8 living in the 75201 zip code. Parent are nongrants, and children are covered through Medicaid or CHIP.
98. TEA. Eligibility for Prekindergarten. http://bit.ly/1zBat2U. A district must offer Pre-K if it identifies at least 15-4-year-olds who are eligible. However, a district may be exempted if it would have to construct classroom facilities to provide Pre-K.
101. See notes 99 and 100.
102. See note 99.
104. See note 103.
107. See note 106.
112. See note 110.
113. See note 110.
115. PRB analysis of 2012 ACS microdata. Working Poor Families Project [Data File]. Percent of children living in working families that are below 200% of poverty. A family is defined as working if all family members age 15 and over either have a combined work effort of at least 39 weeks in the prior year OR have a combined work effort of 26-39 weeks in the prior year and one currently unemployed parent looked for work in the prior 4 weeks.
116. See note 114.
117. See notes 3 and 4. CPPP analysis shows that Texas is one of four states with child poverty rates above, and parental unemployment rates below, U.S.
118. See note 117.
119. BLS. (2014). Employed wage and salary workers paid hourly rates with earnings at or below the prevailing federal minimum wage by state, 2013 annual averages. (Table 1). http://1.usa.gov/1ETle8Q
120. See note 119.
121. Data file received from Working Poor Families Project; analysis of BLS May 2012 OES data. Percentage of jobs in occupations with median annual pay below 100% and 200% poverty for family of four.
124. See note 123.
125. See note 1.
126. Data file received from Annie E. Casey Foundation; analysis of 2012 ACS 3-year micodata (children not attending preschool) and 2012 ACS data (children living in poverty; children without health insurance).

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About the Center for Public Policy Priorities

At the Center for Public Policy Priorities, we believe in a Texas that offers everyone the chance to compete and succeed in life. We envision a Texas where everyone is healthy, well-educated, and financially secure. We want the best Texas – a proud state that sets the bar nationally by expanding opportunity for all.

CPPP is an independent public policy organization that uses data and analysis to advocate for solutions that enable Texans of all backgrounds to reach their full potential. We dare Texas to be the best state for hard-working people and their families.

For more information on this report, visit cppp.org/kidscount

Access U.S., Texas and county-level data on child well-being at datacenter.kidscount.org

This report was authored by Jennifer Lee, Research Associate and Caitlin Shea, Research Intern, as part of Texas Kids Count, a project of the Center for Public Policy Priorities.

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