



September 19, 2024

The Honorable Greg Bonnen  
Chair, House Committee on Appropriations  
Texas House of Representatives  
P.O. Box 2910  
Austin, TX 78768-2910

The Honorable Mary Gonzalez  
Vice Chair, House Committee on Appropriations  
Texas House of Representatives  
P.O. Box 2910  
Austin, TX 78768-2910

Members of the House Committee on Appropriations  
Texas House of Representatives  
P.O. Box 2910  
Austin, TX 78768-2910

Dear Chair Bonnen, Vice Chair Gonzalez, and Members of the Committee:

Thank you for the opportunity to provide testimony today. My name is Dr. Karlyn Keller, Division Director at the Texas Association of School Boards. I have dedicated 32 years to education, beginning my career as a special education teacher in the 1990s. Throughout my career, I have served in various roles, including special education counselor, diagnostician, various campus and district-based administrative roles, and assistant superintendent before joining TASB. My passion for this work has always been driven by a deep commitment to supporting the children we serve and the dedicated staff who work tirelessly on their behalf. I believe this committee shares that commitment.

I've spent countless days in classrooms where teachers, paraprofessionals, and therapists are working to meet the diverse needs of their students. I know firsthand the challenges and triumphs of this work—the patience required, the creativity needed to adapt, and the deep, unwavering care that educators provide for their students every day. These are not just services; they are lifelines for the students and families who depend on them.

The School Medicaid program, SHARS, provides federal Medicaid reimbursement for health-related services delivered to students in special education, such as speech therapy, occupational therapy, counseling, nursing, Personal Care Services (PCS), and specialized transportation. SHARS is a complex program with rigorous requirements.

However, recent policy changes have left our schools struggling. Based on numbers from HHSC, the original changes last year reduced program funding from \$744 million to \$200 million. Our estimates, using data from about one-third of participating districts, indicate that funding will likely drop further with the changes that have been implemented. This claw-back, resulting from sudden state policy changes, has exacerbated the financial crisis facing our schools. I have outlined this in more detail in the materials I have provided to the committee. I know the staff in your districts have felt this impact—they are working under increased pressure and uncertainty, worried about compliance and how they will continue to meet the needs of their students.

I have also provided a high-level timeline of the changes to SHARS over the last decade. The timeline illustrates the steady increase in administrative demands and the ongoing challenges that districts have faced. Each new requirement has added to the complexity of the system, often without adequate time or guidance for implementation.

As schools prepare for settle-up in December, districts remain in a state of limbo. Recent communications indicate they should expect another significant funding reduction due to agency interpretations of policy changes. Bear in mind that these changes have been implemented without any prior training or guidance for districts. This sudden shift leaves districts vulnerable, undermining their ability to prepare and comply.

Many districts have expressed concerns that policy changes are being made too rapidly, without sufficient communication or time to adapt. This has left district staff feeling overwhelmed, anxious, and fearful of compliance penalties. Notably, the major PCS policy overhaul set to begin on October 1 still lacks full explanation. Districts are left waiting for updated guidance that was promised earlier this month but has yet to be delivered, creating further uncertainty.

Looking ahead, there is growing fear that increased administrative burdens and unclear guidance will continue to drive districts away from the program, further reducing the support available for students with disabilities. In just the past few months, dozens of districts have reached out with their concerns, with some already choosing to drop out of SHARS because it is too complicated and unpredictable. This trend threatens to undermine the program's effectiveness and the essential services it provides to vulnerable students.

We need to allow our special education teachers to do what they do best: care and advocate for their students. These changes are diverting their attention, forcing them to spend more time navigating new policies, maintaining detailed documentation, and fearing that one missed step could jeopardize their funding.

Schools are integral to the support system for students with disabilities, offering not only education but also critical health services through programs like SHARS, Early Childhood Intervention, and School Health Advisory Committee. Ensuring that schools have a voice in policymaking will help align health and education policies, promoting a holistic approach to supporting students. The recent SHARS policy changes have underscored the need for greater transparency and stakeholder input in the policy-making process. Transparency and collaboration among stakeholders, including educators, are crucial in developing effective policies that impact all facets of support for children with disabilities.

It is essential that HHSC policies support inclusive education and the principles of the Least Restrictive Environment. This alignment is crucial for providing high-quality, comprehensive care that supports the holistic development of students with disabilities. The recent SHARS policy changes, particularly the removal of key services within PCS and confusing delivery requirements, will significantly impact children with disabilities and is deeply concerning.

We understand that HHSC and TEA must ensure that SHARS complies with all federal and state requirements. However, more transparency and communication from these agencies will go a long way in helping schools understand changes and remain compliant. Districts have struggled with misaligned guidance from the two entities, and at times, one agency has contradicted the other. We urge that HHSC and TEA provide clear, consistent guidance that aligns with the needs and realities of school operations. Aligning program changes and data requests with realistic timelines associated with the school calendar will help districts maintain compliance without unnecessary disruptions.

### **Specific Requests and Recommendations**

1. **Restore Funding Lost through the Claw-Back:** Restore the reduction amount to make districts whole again. Schools should not have to divert funds from essential classroom activities to cover shortfalls in SHARS funding.
2. **Reduce Administrative Burdens:** Simplify the program's requirements and improve communication to help districts navigate changes without feeling overwhelmed. Clearer guidance and training tailored to school schedules are essential.
3. **Align Policies with Educational Environments:** SHARS must reflect the realities of schools, which are not medical facilities, but educational settings committed to providing the least restrictive environment for students with disabilities.
4. **Ongoing Collaboration:** Continue to engage with stakeholders, including HHSC and TEA, to refine SHARS in a way that supports, rather than hinders, the incredible work happening in our classrooms every day.

5. **Clarify Roles and Responsibilities:** The MOU between HHSC and TEA should clearly delineate roles and responsibilities to avoid overlaps and confusion. This includes specifying who is responsible for compliance, oversight, training, and data sharing. Currently, the MOU is not easily accessible online, and the lack of clarity in roles has led to confusion among districts.
6. **Accountability for State Guidance and Timelines:** We urge the state to be more accountable in providing clear, timely information to districts about changes, concerns, and disallowances. Program changes should be communicated with ample time for districts to adapt, ensuring that new requirements do not conflict with the realities of the school calendar.
7. **Improve Training and Support for School Districts:** We commend HHSC for beginning to implement new training initiatives to support districts. We encourage continued efforts, including workshops, on-demand webinars, and a direct support hotline to address compliance questions as they arise.
8. **Include Provisions for Program Evaluation and Feedback:** The MOU should include mechanisms for regular evaluation of the state's oversight of the SHARS program, with feedback loops involving stakeholders, including school districts, to identify areas needing improvement.

As someone who has spent decades working directly with children with disabilities and the staff who serve them, I urge you to help us restore SHARS funding to make our districts whole again. Simplify the program's requirements and provide the support our schools need to implement changes without fear of noncompliance. We need to work together to ensure SHARS supports, rather than hinders, the incredible work happening in our classrooms every day.

Thank you for your time and consideration. I am happy to answer any questions.

Sincerely,



Karlyn Keller, Ed.D.  
 Division Director  
 Texas Association of School Boards

## Attachments

The following documents are provided to support the testimony, provide additional context regarding the challenges, and impacts of recent SHARS policy changes:

1. **Overview of SHARS:** This document offers a comprehensive overview of the SHARS program, including its purpose, covered services, eligibility requirements, and the benefits it provides to school districts. It underscores the importance of SHARS in supporting access to education and providing financial relief to schools.
2. **A Day in the Life of a Special Education Teacher in a Classroom with PCS Support:** This attachment provides a detailed look at the daily responsibilities of special education teachers, including the critical role of PCS services in supporting students with disabilities. It highlights the intensive support required to meet the health and educational needs of students.
3. **Texas SHARS Timeline:** This timeline outlines significant changes and events in the SHARS program from 2017 to the present, detailing the evolving requirements and their impact on school districts. It illustrates the cumulative effect of policy changes, compliance challenges, and administrative burdens faced by districts.
4. **Analysis of Estimated SHARS Program Reductions:** This document examines the financial impacts of recent SHARS program changes, including reductions in reimbursement amounts and the elimination of group billing for Personal Care Services (PCS). It uses data from approximately one-third of participating districts to estimate the future financial outlook for SHARS funding.