



THE 2010-2011 BUDGET AND CHILD PROTECTIVE SERVICES

The 79th and 80th legislatures made significant financial investments in Child Protective Services (CPS). CPS has used those resources to improve investigations, keep more children safe in their homes or with relatives, and to increase the number of adoptions for children who could not return to their parents' care.¹ It is important that the 81st legislature maintain this momentum of success and continue to invest in CPS so that recent gains are not lost and future challenges can be met.

CPS Has Significantly Improved Outcomes For Children

With the recent financial investments, CPS has been able to improve outcomes for children. Despite a 62 percent increase in the number of new cases opened for services in 2008 as compared to 2004:

- **CPS Investigators are doing a better job of making a substantive determination on cases.** The percentage of alleged victims who had their investigation closed with an “unable to complete” or “unable to determine” designation fell from 23 percent in 2004 to 14 percent in 2008.
- **CPS is safely serving more children in their own home:** The proportion of newly opened cases where the family receives supervision and services while the child remains in the home increased from 65 percent in 2004 to 76 percent in 2008. In-home service cases have also become more stable. Although the number of in-home service cases has grown, the number of removals from these cases has fallen from 3928 in 2004 to 2698 in 2008—a 31 percent decrease.
- **CPS is placing more children who live in their own home with relatives, reducing the number of children in foster care.** The proportion of children in the custody of the Department of Children and Family Services (DFPS) who are placed with a relative has grown from 18 percent in 2004 to 30 percent in 2008 and the proportion in foster care has shrunk from 69 percent in 2004 to 58 percent in 2008.
- **A growing number of children who cannot be safely returned to their home or to a relative are exiting through adoption:** 4517 children were adopted in 2008 compared to 2512 children in 2004—an 80 percent increase.

CPS Has Improved Its Internal Operations²

- **CPS has reduced investigators' caseloads significantly:** Caseloads fell from 34.7 in 2006 to 21.9 in 2008—a 37 percent drop.
- **CPS has reduced conservatorship caseworkers' caseloads and conservatorship caseworkers are voluntarily leaving CPS at a lower rate:** Since 2006, conservatorship caseloads have dropped about 16 percent, from 44.5 to 37.3. At the same time, voluntary turnover among conservatorship workers has dropped from 33 percent in 2006 to 30 percent in 2008.
- **Caseworkers' attitudes towards their work and DFPS have improved.** Based on annual surveys, caseworkers are more satisfied with their job, their workloads and available resources in 2008 as compared to 2005.³ And on the

Survey of Excellence, which is administered to state agency employees every 2 years, DFPS' overall scores improved in every dimension in 2008 as compared to 2006.

CPS Still Faces Challenges Whose Solutions Require Additional Funding

With the economic downturn, CPS caseloads will grow. Additionally, CPS still faces challenges in finding permanency for children who have been in care for an extended period, helping emancipating youth successfully transition out of care, and reducing caseworker turnover. To face these challenges, CPS needs funding above and beyond what was budgeted in the 2008-2009 biennium. We generally support all of DFPS' exceptional items regarding CPS. But we recognize that in this economic environment it may not be feasible to fund them all. As a result, we discuss the various requests in more detail below in order of priority.

1. DFPS needs funding to support the growing number of cases that will require CPS services and supervision.

In its budget, the Legislative Budget Board (LBB) reports on the projected number of confirmed abuse and neglect cases. But that is not an accurate measure of cases that actually receive services. A case is opened for services based on a risk assessment. As a result, a confirmed case of abuse or neglect in which there is no ongoing risk to the child may not be opened for services and an unconfirmed case of abuse or neglect in which there is an ongoing risk to the child may be opened for services.

In 2008, although there were fewer confirmed cases, the total number of cases opened for services grew by more than 9%. That is because a larger proportion of both the confirmed and unconfirmed cases were deemed to have an ongoing risk to the child. As the economy continues its downward spiral, more and more families will face economic hardship and more will fall into poverty; studies have shown that children living in poverty are more likely to become involved with child protective services.⁴ As a result, we can expect that the number of families needing CPS supervision and services will continue to grow, especially since Texas provides a low-level of services to low- and moderate-income families.

Yet the LBB did not include in the baseline budget DFPS' request for funding for services or staff to support caseload growth. And, in fact, as compared to 2009, the LBB budget has a 3.7% drop in funding for services to help families resolve their underlying problems (Strategy B.1.10).⁵

The LBB has similarly underfunded growth in adoptions, an important permanency alternative for children who cannot return home. DFPS has substantially increased the number of adoptions. The LBB estimates that DFPS will spend about \$10 million in the 2008 and 2009 biennium for adoption services contracted out to private child-placing agencies (Strategy B.1.8).⁶ For the 2010 and 2011 biennium, the LBB is projecting a 7.7% growth in the number of children adopted⁷ but has budgeted the same amount for adoption services—about \$10 million.⁸

The legislature should appropriate \$44.3 million for DFPS revised exceptional items 1 (replace non-recurring federal revenue), 6 (direct delivery staff to maintain caseloads) and 9 (additional purchased client services and program support for caseload growth). And although DFPS has not requested additional funds for adoption services, the legislature should direct the LBB to estimate the costs associated with the growing number of adoptions and fund that amount.

2. DFPS needs funding for staff to comply with federal standards.

Complying with federal standards is not just a mandate—it is necessary to ensure children get the outcomes they deserve. In order to keep children safe in their homes, caseworkers must adequately supervise these families so that any potential problems can be detected early and addressed through additional services or, if necessary, through removal. For children in substitute care, caseworkers need time to really work a case to find an appropriate and viable permanent plan. Although conservatorship

worker caseloads have declined, they still remain too high and above recommended standards.⁹ As a result, children end up languishing in foster care only to “age out” to homeless, unemployment, crime and teen pregnancy.

The legislature should appropriate \$24.5 million in general revenue for DFPS revised exceptional item 4 (direct delivery staff to meet federal standards).

3. DFPS needs funding to support relative caregivers in current programs.

Relative caregivers have become an invaluable resource for children who cannot remain in their homes. Relatives already receive little in the way of financial support from DFPS. Although relatives qualify only for a one-time \$1,000 payment per sibling group and those under 300% of the federal poverty limit qualify for reimbursement of up to \$500 for three years for approved expenses,¹⁰ in 2008, only an average of 601 children received even this minimal level of assistance per month.¹¹ Anticipating an increase in the number of new and current relative caregivers participating in the program, DFPS requested additional funding to support the growth.

But the LBB did not include this request in the baseline budget and, in fact, has projected a reduction in the number of relative caregivers participating in the program. In 2009, the monthly average number of children receiving relative caregiver financial assistance is expected to be 812.¹² In 2010, however, the LBB projects that this number will drop 13 percent to 706 and remain at this lower level in 2011.¹³

In addition to the small financial assistance relatives receive, some also receive subsidized childcare. As compared to 2009, the LBB is funding a 37% increase in the subsidized foster day care in 2010 even though the number of children in foster care is projected to remain essentially the same.¹⁴ But for relatives, who need the daycare more than paid foster parents, the LBB is funding only a 5.2% increase in subsidized relative day care.¹⁵

The legislature should appropriate \$10.8 million in general revenue for DFPS revised exceptional item 7 (address caseload growth for Kinship Caregiver program) to ensure that relatives have the resources they need to care for children and keep them out of the more costly alternative of foster care.

4. DFPS needs funding to comply with and take advantage of the new federal funds that are now available.

In 2008, the federal government enacted the Fostering Connections To Success And Increasing Adoptions Act of 2008. The Center’s recent policy page entitled “New Federal Foster Care Legislation: What It Means For Texas” available at: <http://cppp.org/files/4/newfostercare.pdf>, discusses the act in detail.

Among other things, the act provides a federal subsidy for payments to relatives who become a child’s permanent managing conservator (PMC) under certain circumstances. The new federal funds represent an important opportunity for Texas to provide better support to relative caregivers. But as the federal Administration of Children and Families (ACF) is still working out the exact details for such a program, it is unclear how Texas should structure its program to qualify for the federal match and still keep the program financially viable. Any program will require general revenue for the state portion of the payment to relatives who take PMC. Currently, for every dollar the state spends, the federal government will match it with \$0.59. As with an adoption subsidy, since these payments continue at least until the child turns 18, the cost of the program will grow exponentially each year. And there may be additional costs depending on how the ACF ultimately interprets the federal law. As a result, we are cautious about adopting a PMC payment program for relatives because even with the federal match, it may be cost prohibitive. At a minimum, any program needs to target only the most needy relatives and children.

Regardless of whether Texas adopts a relative PMC payment program, the act requires due diligence to find relatives and notify them of their rights and the child’s circumstances. The act also extends the federal foster care subsidy beyond a child’s

18th birthday and expands it to cover children in qualified independent living circumstances which will help children more successfully transition out of care.

The legislature should appropriate \$8.1 million in general revenue for DFPS revised exceptional item 2 (Federal Fostering Connections Act) with the proviso that DFPS create a targeted PMC payment program that complies with federal requirements.

5. DFPS needs funding to support emancipating youth.

DFPS must prepare a growing number of youth for emancipation and support them in their transition. Since 2004, the number of youth emancipating from the child welfare system has grown 35%. To meet its responsibility to these youth, DFPS requested additional funding to support staff who prepare youth for emancipation and provide seed money to help create service centers for transitioning youth in areas that currently do not have a transition center. The LBB did not include this request in the baseline budget. Instead, the LBB has budgeted about \$15.7 million for preparation for adult living services (Strategy B.1.8) for the 2010 and 2011 biennium—the same amount budgeted for the 2008 and 2009 biennium.

The legislature should appropriate \$9.8 million in general revenue for DFPS revised exceptional item 5 (strengthen services to youth transitioning from care).

6. DFPS needs funding to help divert children from inpatient psychiatric care.

Inpatient psychiatric care is an expensive alternative that often does nothing to resolve the child's underlying problems. The legislature should appropriate \$33.4 million in general revenue for DFPS exceptional item 3 (divert children from inpatient psychiatric care).

7. DFPS needs funding to strengthen services to families.

Children do best when they live safely with their parents or, if that is not possible, their relatives. To help more families achieve this outcome, DFPS requested additional funding to strengthen services to families. DFPS also requested additional funding to enhance risk management to ensure children are not unduly removed from their home. Neither of these requests is included in the LBB budget.

The legislature should appropriate \$17.8 million in general revenue for DFPS revised exceptional items 10 (strengthen services to families) and 13 (enhance CPS risk management).

8. DFPS needs funding to expand prevention programs.

Although it is important to ensure that CPS is sufficiently funded, the long-term goal should be to reduce the incidence of child abuse and neglect. We support efforts to develop effective prevention programs.

The legislature should appropriate \$6.2 million in general revenue for DFPS revised exceptional item 11 (increase funding for prevention services) to the extent that the programs funded are evaluated for effectiveness.

9. DFPS needs funding to build organizational and professional commitment among CPS workers.

A sliver lining in the recent economic downturn is that CPS caseworkers will be less likely to voluntarily leave a secure public job, which will help break the cycle of turnover that has plagued CPS in recent years. With a captive workforce, DPFS can build the organizational and professional commitment that will make caseworkers *want* to stay at CPS, ensuring that the turnover cycle does not begin anew once economic conditions improve.

The legislature should appropriate \$46.6 million in general revenue for DFPS revised exceptional items 8 (continue phase-in of table PCs for 2nd half of substitute care workers) and 14 (address recruitment and retention) provided that the recruitment and retention programs are appropriately structured as discussed in the center's recent policy page entitled "A Better Understanding

Of Caseworker Turnover Within Child Protective Services”, available at: http://www.cppp.org/files/4/364_percent20DFPS_percent20workforce.pdf. The policy page also contains other recruitment and retention recommendations.

10. DFPS needs funding to support a privatization case management pilot.

Private providers play an essential role in providing services to and ensuring good outcomes for children and families in CPS. A properly sized and structured privatization case management pilot that complies with SB 758 is a way to explore how they can best compliment and supplement the services CPS provides.

Provided that the legislature can fully fund the pilot without diverting funds from other critical DFPS needs, we support the legislature appropriating \$15 million in general revenue for DFPS revised exceptional item 15 (the case management outsourcing pilot).

Money From The Federal Stimulus Package For CPS Should Be Reinvested in DFPS

No one knows yet what the final federal stimulus package will be, but right now it does provide additional funding for Child Protection through a temporary increase in the Federal Medical Assistance Percentage (FMAP). The match rate for Medicaid and the match rate for Title IV-E (foster care and adoption assistance) are tied together. In the proposed federal stimulus package, the FMAP rate increase is a 4.9% increase between October 1, 2008, and December 31, 2010, with even higher FMAP increases for states with higher unemployment rates. Right now, this FMAP increase will also apply to federal payments for foster care and adoption assistance. That means for every \$1.00 Texas spends on foster care and adoption assistance there will be an additional \$0.05 of general revenue available for other purposes. We encourage you to keep that money in CPS to fund the foregoing exceptional items which are essential for maintaining the momentum of success and ensuring improved outcomes for families and children.

Respectfully submitted,

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¹ Unless otherwise noted, the data discussed in this paper comes from the annual databooks produced by the Department of Children and Family Services (DFPS).

² For a more detailed discussion of CPS workforce issues, please refer to the Center for Public Policy Priorities’ recent policy page entitled: “A Better Understanding Of Caseworker Turnover Within Child Protective Services” available at: http://www.cppp.org/files/4/364_percent20DFPS_percent20workforce.pdf.

³ Based on annual reports of caseworker surveys produced by the Protective Services Training Institute and authored by Dr. Maria Scannapieco and Dr. Kelli Connell-Carrick.

⁴ Barth RP, Wildfire J, Green RL. *Placement Into Foster Care and the Interplay of Urbanicity, Child Behavior Problems, and Poverty*. American Journal of Orthopsychiatry, 76(3): 358-366. 2006.

⁵ LBB Budget Estimates, pg. II-20. The LBB budget does contain a slight increase in funding for substance abuse services but substance abuse services only comprise a very small part of the CPS services to families.

⁶ LBB Budget Estimates pg. II-20.

⁷ LBB Budget Estimates pg. II-23.

⁸ LBB Budget Estimates pg. II-20.

⁹ *HHS Could Play a Greater Role in Helping Child Welfare Agencies Recruit and Retain Staff*. General Accounting Office. March 2008. GAO-03-357.

¹⁰ Texas Administrative Code § 700.1005 and §700.109.

¹¹ LBB Budget Estimates, pg. II-24.

¹² LBB Budget Estimates, pg. II-20.

¹³ LBB Budget Estimates, pg. II-20.

¹⁴ LBB Budget Estimates, pg. II-23.

¹⁵ LBB Budget Estimates pg. II-23.