



UPSIDE DOWN CHILD PROTECTION

Failing to fund family-based protective services forces kids into more expensive foster care

Imagine a life threatening medical condition that can be effectively treated for most patients with a \$10 pill. The only alternative to the pill is a \$1,000 surgery. For patients for whom the pill works, it would be foolish to insist on surgery. But that is just what the 82nd Legislature has done to Child Protective Services (CPS) in the House and Senate versions of the proposed state budget.¹

Some maltreated children must be removed and placed in foster care for their own safety. But just like it is better and less costly if a patient can be effectively treated with a pill instead of surgery, it is better and less costly if family-based protective services can keep a child safe at home or with a relative instead of placing them in foster care.

In the budget bills for CPS, funding for family-based protective services falls short by 30 percent, or about \$51 million.² But shorting family-based protective services will not save the state money. It will simply force CPS to send maltreated children who could have stayed safe in their own homes or with relatives into the more expensive alternative of foster care.

Types of Protective Services

Under the Texas Family Code, the Department of Family and Protective Services (DFPS) is legally mandated to protect children from abuse and neglect.³ It fulfills this mandate through its CPS division.

Under federal law, when there has been abuse or neglect that necessitates CPS involvement, CPS is first required to pursue services that preserve families, allowing the parents to retain legal custody, usually with the child living at home, referred to as in-home protective services.⁴ CPS works with the vast majority of families through this process. About eight of every 10 new cases are opened through in-home protective services, with CPS serving more than 90,000 children in its in-home services unit during the year.⁵

If the child is at risk but in-home protective services are not available or cannot keep the child safe, CPS has two options: do nothing and leave the child in a potentially unsafe home or initiate a legal action to take the child into state custody and provide out-of-home services. If CPS takes the child into custody, it must first look for a relative caregiver. If one is not available, the child then goes into foster care.

What Services and Support CPS Provides

Regardless of the type of service CPS provides, the parents and child are assigned a caseworker who works with them directly. When a child is taken into CPS custody, relative caregivers and foster care providers have additional dedicated state agency staff to recruit, assess, and support them. Each type of caregiver is also provided certain types of direct support which are discussed below.

Services for Families on In-Home Cases

Although parents and others caring for children on in-home cases receive no direct payments, CPS does subsidize protective day care for young children and support services to keep the family intact and the child safe. Subsidizing day care for young children gives the parents an opportunity to participate in the services necessary to resolve the problem that led to the abuse or neglect (e.g., attend substance abuse treatment). It also protects the child by providing daily contact with someone who can help identify early on if the child's safety is being compromised. Ensuring that these young children and babies are seen on a regular basis by an outside observer is especially crucial given high in-home caseloads. With an estimated average daily caseload of 59 children,⁶ in-home caseworkers simply do not have the capacity to visit these children and ensure their safety on a daily, or even weekly, basis.

Family support services include purchasing substance abuse and mental health treatment and parenting education for parents who cannot obtain services through other programs, as well as drug testing to ensure the parent's sobriety while the child lives in the home.

Support for Relatives Caring for Children in CPS Custody

Relatives who agree to care for a child taken into CPS custody do not receive an ongoing, direct payment for the child's care. But, currently, they may be eligible for a one-time upfront payment of up to \$1,000 per sibling group and reimbursement up to \$500 per child per year for approved expenses to help defray the cost of taking the children into their home.⁷ While the child is in CPS custody, relatives also can qualify for subsidized day care. Finally, there is dedicated funding for services for the children in their care and the child is provided health care through the STAR Health program.

This support is different and separate from the new Permanency Care Assistance (PCA) program. The upfront payment, subsidized day care and services help get children into relative homes at the front-end of the system when the child is taken into CPS custody and needs a place to live while his parents try to regain custody, or reunify. The PCA program supports relatives on the back-end after reunification has failed. It helps take the child out of CPS custody by providing financial support to relatives who become the child's permanent legal caregiver.

Foster Care Services

All foster care providers get ongoing, direct payments for the child's care. The average payment for foster care is more than \$22,000 a year.⁸ In some cases, CPS subsidizes day care for foster care families as well. There is also dedicated funding for services for the children in foster care. Finally, the child qualifies for a free school lunch and is provided health care through the STAR Health program.

Family-Based Protective Services Are Better for the Child

Keeping children safe in their own home or with a relative promotes stability for the child and usually results in better outcomes. As a result, it's best for the child if foster care is used only as an option when family-based protective services would not keep the child safe.

Family-Based Protective Services Promote Stability

If CPS can provide services to keep a child safe in their own home, a child's support system of friends, siblings, extended family and school remains intact, and the parents can focus on addressing the problems that led to the abuse or neglect.

When that's not possible and removal is required, the best way to minimize the disruption and trauma to the child is to find a relative who can safely care for the child while the parents try to reunify. A relative is usually someone the child knows and trusts and enables the child to maintain their support system of siblings and extended family. As relatives often live close by,

the child also has a better chance at staying in the same school and community. Studies have shown that children placed with relatives move around less while in state custody.⁹

Foster care, while sometimes necessary, is the most disruptive alternative. Not only does the child have to live in a strange home with people he doesn't know, often he is separated from his siblings and extended family. And since more than half of all children in foster care live outside their home county,¹⁰ the child usually loses touch with his community, forcing him to change schools and find new friends.

Family-Based Protective Services Promote Permanency

More than 90 percent of the families on in-home cases successfully complete services, meaning that they learn to safely take care of their children without CPS supervision or involvement.¹¹ Children in state custody who live with a relative have a high rate of permanency as well. About 95 percent of children who left state custody while living with a relative exited to a permanent home.¹²

In contrast, only about 72 percent of children who leave state custody while living in foster or some other type of substitute care exited to a permanent home.¹³ The other 28 percent either age out, meaning they leave foster care at age 18,¹⁴ or have some other outcome such as running away from their foster home. These children usually have spent years living in foster care, moving from home to home,¹⁵ and consequently have a difficult time transitioning to living on their own.¹⁶

Family-Based Protective Services Are Cheaper for the State

Texas funds the services CPS provides partly through federal subsidies and partly through federal block grants provided under the Temporary Assistance and Needy Families (TANF), Child Care Development (CCD), and Child Welfare Services programs, with the rest funded through state general revenue.

As the table below shows, on average in 2009, the state spent substantially less per child for both in-home cases and relative care as compared to foster care. Texas spent 25 times more on a child in foster care than it did keeping a child safe in their own home. Tables with details on per child spending are in Appendix A.

Total Spent for Services per Child in 2009¹⁷

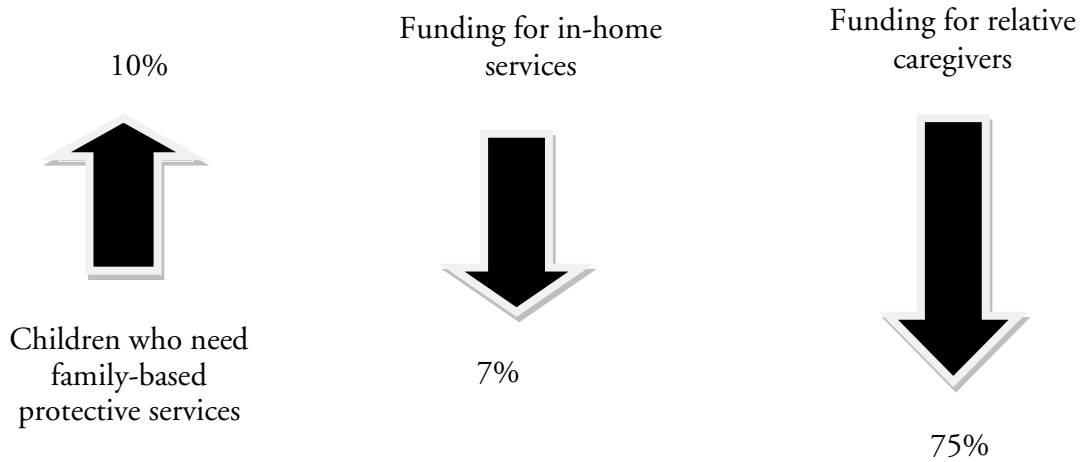
	In-Home	Relative	Foster care
Average general revenue spent per child in 2009	\$211	\$761	\$5,414
Average all funds spent per child in 2009	\$407	\$2,432	\$14,558

Proposed State Budgets Slash Family-Based Protective Services Funding

Since 2004, the number of children and families needing in-home protective services has increased every year by an average of 10 percent¹⁸ and the number of children in DFPS custody has almost doubled.

House Bill (HB) 1 and Senate Bill (SB) 1, however, do not fund any in-home or relative caregiver growth and, in fact, reduce the budget for family-based protective services. In addition to the 2010-11 budget cuts that will carry over into 2012-13,¹⁹ the budget for in-home family support services in 2012-13 has been further reduced by 7 percent²⁰ and support for relatives caring for children in CPS custody has been reduced by 73 percent,²¹ eliminating altogether the support program and day care that help get children into relative homes at the outset of a case.

Changes in Proposed State Budgets as Compared to 2010-11 CPS Budget



For the 2012-13 biennium, to cover the families and children who will need family-based protective services at 2010-11 levels, CPS needs about \$51 million.²² CPS needs about \$7 million for protective day care,²³ \$37 million to reinstate the relative support and day care program,²⁴ and about \$7 million for other services to support families and children.²⁵

Although CPS needs millions in additional funding, it is only a minimal amount when considered in the context of the overall budget. The needed \$51 million represents about a 2 percent increase in the total budget for DFPS already allocated in HB 1 and SB 1. And it represents less than 1 percent of the more than \$9.4 billion projected to be available in the rainy day fund.

Increased Foster Care Costs Will More Than Offset the Reduced Budget for Family-Based Protective Services

With the needed \$51 million, CPS could serve more than 24,000 additional children during the 2012-13 biennium, keeping them safe in their own home or with a relative.²⁶

If CPS does not get the needed funding, some of the 24,000 children will not get any services at all, increasing the risk of further maltreatment. For some of these children, however, the risk of doing nothing will be so great that CPS will have to take some sort of protective action. If funding for family-based protective services is not available, CPS will be forced to take them out of their home and place them in foster care. As the exact number of children who will shift into foster care is difficult to determine, we have looked at what will happen over a range of possibilities.

As the table below illustrates, even if only a fraction of the 24,000 children who could remain safe through family-based protective services instead go into foster care, any savings in HB 1 and SB 1 from the reduced funding for family-based protective services will be more than offset by increased foster care costs. If only one in three of the children who could be served through family-based protective services go into foster care, it will end up costing the state almost \$14 million more in general revenue alone in 2012-13.

Fiscal Impact in 2012-13 of Failing to Maintain Family-Based Protective Services (m = million)

Number of children potentially affected by lack of funding for family-based protective services	24,482		
Percentage of affected children who go into foster care	25%	30%	40%
Number of affected children who go into foster care	6,120	7,345	9,793
Per child general revenue cost of foster care payment in 2012-13 ²⁷	\$8,924	\$8,924	\$8,924
Total cost of additional foster care	\$55 m	\$66 m	\$87 m
Needed funding for family-based protective services	\$51 m	\$51 m	\$51 m
General revenue savings/(cost) to state from budget cuts	(\$4 m)	(\$15 m)	(\$35 m)

Texas Will Have to Cover the Increased Foster Care Costs

The federal government subsidizes part of the cost of foster care. In return, Texas must pay for any child who comes into foster care and continue paying until the child returns home, has a relative or other individual take legal custody, or turns 18 and becomes a legal adult. As a result, when children start shifting from family-based protective services into foster care, the state will have to pay for it, even if the cost exceeds what was budgeted.

CONCLUSION

Protecting children from abuse and neglect is the very definition of an essential state function. In fulfilling its mandate, if CPS has insufficient resources to keep children safe in their own homes or with relatives, it will have to move more children into foster care, which is a more expensive and less successful alternative.

To save money in the 2012-13 biennium, the 2011 Legislature should give CPS the additional \$52 million it needs to maintain funding for family-based protective services so that the maximum number of children possible can remain safe in their own homes or with a relative.

The Center for Public Policy Priorities (CPPP) is a nonpartisan, nonprofit policy institute committed to improving public policies to better the economic and social conditions of low- and moderate-income Texans. CPPP is working for a BETTER TEXAS™.



This policy page was underwritten in part through funding by Casey Family Programs, whose mission is to provide and improve—and ultimately to prevent the need for—foster care. Established by UPS Founder Jim Casey in 1966, the foundation provides direct services and promotes advances in child welfare practice and policy. To learn more, visit www.casey.org. The opinions expressed in this policy brief, however, are those of the Center for Public Policy Priorities and do not necessarily reflect the views of Casey Family Programs.

Appendix A

Total General Revenue Spent in 2009²⁸ (m=million)

	In-Home	Relative	Foster care
Payment to caregiver while child in CPS custody	\$ -	\$1 m ²⁹	\$131 m ³⁰
Staff to recruit, assess and license home	\$ -	\$6 m ³¹	\$ 8 m ³²
Subsidize day care	\$ 4 m ³³	\$1 m ³⁴	\$ 4 m ³⁵
Family support services	\$16 m ³⁶	\$ -	\$ -
Out-of-home services ³⁷	\$ -	\$2 m	\$ 5 m
Total general revenue spent in 2009	\$ 20 m	\$10 m	\$148 m
Number of children served	93,190 ³⁸	12,982 ³⁹	27,422 ⁴⁰
Average general revenue spent per child in 2009	\$211	\$761	\$5,414

Total All Funds Spent in 2009⁴¹ (m=million)

	In-Home	Relative	Foster care
Payment to caregiver while child in CPS custody	\$ -	\$ 7 m ⁴²	\$355 m ⁴³
Staff to recruit, assess and license home	\$ -	\$10 m ⁴⁴	\$ 21 m ⁴⁵
Subsidize day care	\$16 m ⁴⁶	\$ 9 m ⁴⁷	\$ 9 m ⁴⁸
Family support services	\$22 m ⁴⁹	\$ -	\$ -
Out-of-home services ⁵⁰	\$ -	\$ 6 m	\$ 14 m
Total all funds spent in 2009	\$38 m	\$10 m	\$399 m
Number of children served	93,190 ⁵¹	12,982 ⁵²	27,422 ⁵³
Average all funds spent per child in 2009	\$407	\$2,432	\$14,558

ENDNOTES

- ¹ For DPFS' budget for child protective services, the two bills are identical.
- ² Based on what DFPS estimated it needed vs. what was budgeted in HB 1 and SB 1 for family-based protective services. (LBB Budget Estimates 2012-13).
- ³ Texas Human Resources Code §40.002.
- ⁴ 42 U.S.C. §671(15)(B). On some in-home cases, the parent retains legal custody but the child lives outside the home for a period of time, referred to as a parental child safety placement.
- ⁵ DFPS 2010 databook, DFPS 2010 data.
- ⁶ For in-home caseworkers, each family, regardless of the number of children involved, counts as one case. To estimate the number of children per family, we used the average number of children on in-home cases opened for services in 2010 (2.71-DFPS databook). We then multiplied this estimate by the average daily caseload for in-home caseworkers (21.9-DFPS databook) which gives an estimated average daily caseload of 59 children.
- ⁷ Texas Family Code §264.755.
- ⁸ DFPS LAR, based on the average monthly foster care payment in 2009. Includes payments to private child placing agencies.
- ⁹ Winkokur MA, et al. *Matched Comparison of Children in Kinship Care and Foster Care on Child Welfare Outcomes*. The Journal of Contemporary Social Services 89(3): 338-346. 2008.
- ¹⁰ In May 2010, only 45 percent of children in foster care lived in their home county. (Regional Statistical Information about Children in DFPS Care, available at: http://www.dfps.state.tx.us/PCS/regional_care.asp. Accessed on December 16, 2010).
- ¹¹ About 9 percent of families who receive in-home services and have their case closed have a new confirmed allegation of abuse or neglect or a new case opened for services within 12 months. (DFPS 2010 databook).
- ¹² CPPP analysis of DFPS 2009 data.
- ¹³ CPPP analysis of DFPS 2009 data.
- ¹⁴ In some limited instances, children can stay in foster care until age 21.
- ¹⁵ In 2010, the children who aged out spent an average of more than 5 years in care and moved to a new home almost twice every year. (DFPS 2010 databook).
- ¹⁶ *Improving Outcomes for Older Youth in Foster Care*. Casey Family Programs. 2008.
- ¹⁷ From DFPS 2012-13 legislative appropriations request (LAR).
- ¹⁸ Looking at growth in the average number of families receiving family preservation services per month. (DFPS databooks).
- ¹⁹ As part of the 5 percent budget cuts earlier this year, DFPS cut its family strengthening program which helped families on negligence cases address poverty related problems and reduced the need for removals and foster care.
- ²⁰ Comparing the budget for 2012-13 in HB 1 and SB 1 to the combined amount estimated in 2010 and budgeted for 2011 for line items B.1.5 (protective day care) and B.1.10.2 (in-home services) and 78 percent of line items B.1.9 and B.1.10.3 (intensive family services).
- ²¹ Comparing the budget for 2012-13 in HB 1 and SB 1 to the combined amount estimated in 2010 and budgeted for 2011 for strategies B.1.4 (relative day care), B.1.10.1 (services for children in out-of-home care and to support reunification), B.1.10.5 (other purchased services), B.1.10.6 (relative home assessments) and B.1.113 (relative caregiver payments).
- ²² Based on the difference between what DFPS estimated it needed vs. what was in HB 1/SB 1. (LBB Budget Estimates for 2012-13).
- ²³ In DFPS' revised exceptional items, it requests an additional \$2.1 million to get back to 2011-12 funding. DFPS also needs an additional \$7.1 million to cover projected caseload growth. (LBB Budget Estimates 2012-13).
- ²⁴ DFPS revised exceptional items.
- ²⁵ About \$3 million for substance abuse services and about \$4 million for other purchased services, primarily to cover caseload growth.
- ²⁶ Number of children potentially affected by the needed \$51 million funding was calculated by using the number of children affected in DFPS' various revised exceptional item requests and, when that was not available, by calculating the average cost per child or client from DFPS' baseline budget request and dividing that amount into the needed funding.
- ²⁷ LBB Budget Estimates 2012-13.
- ²⁸ From DFPS 2012-13 legislative appropriations request (LAR).
- ²⁹ LAR 2.1.13

³⁰ LAR 2.1.11

³¹ LAR 2.1.2.5 (Kinship caseworkers) and LAR 2.1.10.6 (Relative caregiver home assessments).

³² LAR 2.1.1.4 (foster and adoption caseworkers) and LAR item 5.1.1.1 (Staff to regulate foster homes).

³³ LAR 2.1.5.

³⁴ LAR 2.1.4.

³⁵ LAR 2.1.3.

³⁶ LAR 2.1.9 (substance abuse services), LAR 2.1.10.2 (in-home services) and LAR 2.1.10.3 (intensive family services). Substance abuse and intensive family services are not only used for in-home cases but for removal cases in reunification and, sometimes, during an investigation. But to be conservative, we allocated the entire cost for these categories to in-home cases.

³⁷ LAR 2.1.10.1 (out of home services) and LAR 2.1.10 (other CPS purchased services) support children in DFPS custody both those living with relatives and those in foster care. 30 percent of the children in out-of-home care lived with a relative with the remainder in foster care or some other substitute care. We allocated the costs between the two types of living arrangements accordingly.

³⁸ DFPS data.

³⁹ Counting the number of children who exited to a relative during 2009 and were still in relative care at the end of 2009. (DFPS 2009 databook and 2009 data).

⁴⁰ DFPS 2009 databook.

⁴¹ From DFPS 2012-13 legislative appropriations request (LAR).

⁴² LAR 2.1.13

⁴³ LAR 2.1.11

⁴⁴ LAR 2.1.2.5 (Kinship caseworkers) and LAR 2.1.10.6 (Relative caregiver home assessments).

⁴⁵ LAR 2.1.1.4 (foster and adoption caseworkers) and LAR item 5.1.1.1 (Staff to regulate foster homes).

⁴⁶ LAR 2.1.5.

⁴⁷ LAR 2.1.4.

⁴⁸ LAR 2.1.3.

⁴⁹ LAR 2.1.9 (substance abuse services), LAR 2.1.10.2 (in-home services) and LAR 2.1.10.3 (intensive family services). Substance abuse and intensive family services are not only used for in-home cases but for removal cases in reunification and, sometimes, during an investigation. But to be conservative, we allocated the entire cost for these categories to in-home cases.

⁵⁰ LAR 2.1.10.1 (out of home services) and LAR 2.1.10 (other CPS purchased services) support children in DFPS custody both those living with relatives and those in foster care. 30 percent of the children in out-of-home care lived with a relative with the remainder in foster care or some other substitute care. We allocated the costs between the two types of living arrangements accordingly.

⁵¹ DFPS data.

⁵² Counting the number of children who exited to a relative during 2009 and were still in relative care at the end of 2009. (DFPS 2009 databook and 2009 data).

⁵³ DFPS 2009 databook.