



## HOUSE BETTER FUNDS CHILD PROTECTIVE SERVICES

The House budget funds 85 percent of what Child Protective Services (CPS) needs to keep children safe in their families or with relatives, or, when that is not possible, to successfully transition out of care. In contrast, the Senate budget funds only 15 percent. In conference, the Senate needs to move towards the House budget or it will risk more failed family and relative placements, forcing more children into the more expensive alternative of foster care and risking poorer outcomes for Texas' most vulnerable children.

DFPS exceptional item number in parenthesis

	Request	% Fund Sen	% Fund House	Senate <sup>1</sup> Art II All funds	House Art II All Funds    Art XII ARRA Funds	
<b>Support for Families Receiving In-Home Services</b>						
FBSS caseworkers to ensure visit children and parents 1/month (4b)	\$12,301,522	0%	100%	\$0	\$5,854,674	\$6,446,848
CPS purchased client services (includes day care) (9b)	\$15,013,040	0%	100%	\$0	\$59,089	\$14,953,951
Family Group Decision Making staff (10a)	\$5,779,614	50%	100%	\$2,889,807	\$2,862,232	\$2,917,381
Substance abuse specialists (13a)	\$1,231,079	0%	0%	\$0	\$0	\$0
Child safety specialists (13b)	\$1,132,824	0%	0%	\$0	\$0	\$0
Risk managers (13c)	\$1,106,619	0%	0%	\$0	\$0	\$0
<b>Total</b>	<b>\$36,564,698</b>	<b>8%</b>	<b>91%</b>	<b>\$2,889,807</b>	<b>\$8,775,995</b>	<b>\$24,318,180</b>
<b>Support for Relative Caregivers</b>						
Monetary assistance payments (7a)	\$7,205,655	0%	100%	\$0	\$1,951,347	\$5,254,308
Day care (7b)	\$3,646,982	0%	100%	\$0	\$0	\$3,646,982
Adopt payment program for long-term relative caregivers (2a)	\$4,535,676	0%	100%	\$0	\$4,535,676	\$0
Mandatory relative notification (2b)	\$2,657,562	100%	100%	\$2,657,562	\$2,657,562	\$0
Waiver of foster care standards for relatives (2c)	\$120,640	0%	100%	\$0	\$0	\$120,640
Create Kinship units (10d)	\$3,325,490	0%	0%	\$0	\$0	\$0
<b>Total</b>	<b>\$21,492,005</b>	<b>12%</b>	<b>85%</b>	<b>\$2,657,562</b>	<b>\$9,144,585</b>	<b>\$9,021,930</b>
<b>Support for youth in the long-term care of the state</b>						
Preparation for Adult Living Staff (5a)	\$2,905,987	100%	100%	\$2,905,987	\$2,640,004	\$265,983
Circles of Support staff (5b)	\$4,697,515	50%	0%	\$2,348,757	\$0	\$0
Seed money for youth transition centers <sup>2</sup> (5c)	\$200,000	100%	100%	\$200,000	\$200,000	\$0
Modify IT system to collect outcome data on youth who emancipate <sup>2</sup> (5d)	\$2,578,362	0%	100%	\$0	\$1,461,078	\$1,117,282
Extend foster care and subsidies until youth is 21 (2d)	\$6,886,233	0%	100%	\$0	\$6,886,233	\$0
<b>Total</b>	<b>\$17,268,097</b>	<b>32%</b>	<b>73%</b>	<b>\$5,454,744</b>	<b>\$11,187,315</b>	<b>\$1,383,265</b>
<b>Total for families, relatives and transitioning youth</b>	<b>\$75,324,800</b>	<b>15%</b>	<b>85%</b>	<b>\$11,002,113</b>	<b>\$29,107,895</b>	<b>\$34,723,375</b>

<sup>1</sup> Senate made a general allocation for ARRA funds in Art XII without a specification about to which exceptional items it would apply

<sup>2</sup> One-time funding request

### Most Serious Issue: Senate's Under-funding of Staff and Services for Families

Families and children receive CPS services through two models. The first is family based safety services (FBSS) where families receive services while children remain in the parents' home.<sup>1</sup> The second is conservatorship cases

where the state removes the child from the parent and assumes managing conservatorship over the child. Due to CPS reform efforts and a recent federal court appellate decision, increasing numbers of children receive FBSS services. Since 2004, the average monthly number of children receiving FBSS services grew by 62 percent<sup>2</sup> so that in 2008, FBSS served almost 75,000 children<sup>3</sup>.

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Currently, however, FBSS caseworkers cannot meet the minimum federal requirements to visit children and parents at least once a month.<sup>4</sup> This means possible federal fines. More importantly, it means caseworkers cannot adequately supervise these families to detect potential problems early and address them through additional services or, if necessary, through removal. The original budget lacked funding for the additional FBSS workers needed to protect children in their homes and did not fund the services families need to address their underlying problems (e.g., parenting classes, substance abuse treatment, and day care). As compared to 2009, the original budget provided 3.7 percent less funding for services to help families resolve their underlying problems<sup>5</sup> and 1.7 percent less funding for family day care services.<sup>6</sup>

Recognizing the importance of protecting children in their own homes, the House addressed this shortfall by funding 91 percent of DFPS' requests for families. In contrast, the Senate funded only 8 percent—providing no funding for the additional FBSS workers or services CPS needs to protect children in their homes. Without adequate support and supervision, these families are likely to fall apart, placing children at risk of serious harm. It also means that more children will be removed from their home and placed into the more expensive alternative of foster care.

The conference committee should adopt the House's budget on **Exceptional items 4b, 9b and 10a.**

## **Other Important Budget Issues to be Reconciled**

### **Financial Support for Relative Caregivers**

Relative caregivers are an invaluable resource for children who cannot remain in their homes. But relatives who care for children while DFPS has temporary managing conservatorship (TMC) and those who provide long-term care through becoming a child's permanent managing conservator (PMC) receive little financial support. Virtually none are licensed as foster parents so they are not eligible for foster care payments. In 2005, the legislature authorized a special relative financial assistance program

but, even under this program, they qualify only for a one-time \$1,000 payment per sibling group and for reimbursement of up to \$500 for three years for approved expenses if they earn less than 300 percent of the federal poverty limit.<sup>7</sup> Some also qualify for subsidized child care.

Many relatives, however, do not receive even this minimal level of support. In 2008, we estimate that only about 38 percent of children who lived with relatives actually received financial assistance.<sup>8</sup> Recognizing the need for a greater coverage, the House appropriated additional funds so more relatives can get paid under this program—something that should be part of the compromise budget.

In addition to funding the current payment program, the House also funded a new, alternative payment program based on recent federal legislation that provides new federal funds to support relatives who become licensed foster parents and then become a child's PMC, or long-term caregiver. Unlike the current payment program, financial assistance under this program is delayed and only provided after relatives complete the long and arduous foster care licensing process. So it will provide no help to those relatives who need immediate financial assistance or to those unable to meet stringent licensing standards. And, at this point, no method exists to accurately estimate program cost or structure. The federal Administration of Children and Families (ACF) has not yet issued program regulations, so DFPS does not know how to structure the program to meet federal requirements and qualify for federal support. Even if an established structure existed, it is unclear how many relatives will be interested in or qualify for the program since Texas lacks experience with licensing relatives as foster parents. Getting a firm grasp on costs before implementation is especially important because all relatives who qualify must be paid at least until the child turns 18, so the cost of the program will grow exponentially. It is also important to understand how many additional relatives the program will attract beyond those who already provide care (e.g., qualified relatives willing to care for children but financially unable to do so). DFPS only just started systematically tracking this information.

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In earlier testimony we recommended that the legislature not fund the program this biennium but instead direct DFPS to collect the necessary data and to use it to develop a detailed implementation plan after the ACF finalizes its program regulations and guidance. We also urged an interim legislative study. The legislature could then address in the next session how the program should be structured and funded.

Since our earlier recommendation, implementing legislation in the House (HB 2860) has included a sunset provision. This would ensure a thorough review of the program and an evaluation of its costs and benefits after several years of experience. Because of the requirements in federal law, however, a sunset provision could only apply to agreements entered into after the sunset date. All contracts entered into before that date would still have to be honored even if the program was not renewed.

The legislature should prioritize funding the current payment program and subsidized day care services (**Exceptional items 7a and 7b**) because they provide immediate assistance to relatives with demonstrated financial need. After fully funding the current program, we support funding the new long-term relative caregiver payment program (**Exceptional item 2a**) as long as it includes a sunset provision. Otherwise, we recommend consideration of the new program in the next session after an interim study.

### Support for Children Transitioning Out of Long-Term Care with the State

Youth who transition out of the long-term care of the state when they turn 18 face grim outcomes—homelessness, crime and poverty. Both the Senate and the House budgets provide additional support for these youth but do so in slightly different ways. By combining the two, the legislature can ensure these youth have the support they need to successfully transition into adulthood. The conference committee should keep the items that both budgets fund (**Exceptional items 5a and 5c**) and include the other items that the House funded but the Senate did

not (**Exceptional items 5d and 2d**) and the item that the Senate funded but the House did not (**Exceptional item 5b**). Not only will these items improve outcomes for these vulnerable youth, they cost relatively little general revenue—less than \$2 million, most of which is a one-time cost for information technology changes.

### Provider Rates

Private providers are an essential component of providing care to children in the child welfare system. Of the 13,994 children in foster family homes at the end of 2008, 85 percent were in homes managed by private child placing agencies (CPAs). But the total number of children in foster care has dropped over the years due to more children staying at home or with relatives. Since 2005, the number of children in foster care has dropped 11 percent. Along with this drop, CPAs face rising costs for the care they provide and, with the economic downturn, a decline in outside funding support.

Part of the crisis facing CPAs is a fundamental shift from foster care to a more family-focused system. CPAs must adapt their business model to reflect this new reality. But even with a family-focused system, there will always be a need for quality foster care. To address this problem, both the House and Senate budgets contain a foster care and CPA rate increase. Although it is difficult to determine the exact amount of the increase in either budget, it appears that the Senate budget is more generous than the House. In conference, the House should move towards the Senate budget on this issue to ensure that foster homes and the CPAs who manage them are paid at a rate that allows them to maintain the necessary capacity and provide quality care.

### Conclusion

In both 2005 and 2007 the Legislature increased funding for Child Protective Services. But CPS remains an underfunded agency with a critical mission. The Legislature should maintain its investment in improving how Texas protects children by doing everything possible in this budget for CPS.

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<sup>1</sup> In FBSS, a family can also receive services while the child resides with a relative or other individual. This is considered a voluntary placement as the parent has agreed to the placement and retains legal control over the child.

<sup>2</sup> DFPS databooks.

<sup>3</sup> Based on public testimony by the DFPS Commissioner.

<sup>4</sup> Based on the recent federal Child and Family Services Review:

[http://www.dfps.state.tx.us/documents/about/pdf/2009-02-01\\_2008\\_Texas%20CFSR.pdf](http://www.dfps.state.tx.us/documents/about/pdf/2009-02-01_2008_Texas%20CFSR.pdf). Accessed on: April 20, 2009.

<sup>5</sup> 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.

<sup>6</sup> LBB Budget Estimates, pg. II-20.

<sup>7</sup> Texas Administrative Code § 700.1005 and §700.109.

<sup>8</sup> We calculated eligibility based on the number of children in the care of relatives at the fiscal year end plus those who exited care with a relative as a PMC in that fiscal year and the prior two years. Texas Administrative Code §700.1000 *et seq.* The number of children who received some financial assistance is in the 2008 DFPS databook.

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