

**Statement of F. Scott McCown**  
**Director of the Center for Public Policy Priorities**  
**House Version of Senate Bill 6**  
**April 19, 2005**

The House made significant changes to Senate Bill 6. In introducing those changes, Chairman Hupp said that the Senate plan did not go far enough. In our judgment, the reverse is true. The House plan goes too far by turning over children in the legal care of the state to private companies. We hope that the Senate can prevail on the House in conference to move toward the Senate plan.

Our concern is privatization of case management, meaning that all the state's case oversight duties, including legal duties, are turned over to private companies, the same private companies providing the care and services to the children and their families. A key reason the House gives for the privatization of foster care, which we do not oppose, is the state's conflict of interest in both providing care and oversight. Yet the House plan to privatize case management creates a much more serious conflict of interest by turning children over to private companies who provide both the case management and foster care.

It is simply not accurate that under the House version the state will still be present in the legal proceedings and that the state will maintain oversight. The House plan is funded by terminating the state's caseworkers, so there will literally be no one to go to legal hearings or oversee cases for 26,000 children. In fact, the House version has been written in such a way that the state has no legal right to maintain oversight of individual cases; indeed, the House plan by design expressly prohibits the state from doing any case management (page 47, line 10-11).

The hope that private companies will "fix" our system is unrealistic. The problems our children have in foster care today are largely the responsibility of these same private companies. While Chairman Hupp says that our problems are not just about money, in fact, our problems are more about money than anything else: Texas ranks 47<sup>th</sup> among the 50 states in per child spending on child protection.

The amendment to "roll out" privatization by Rep. Naishtat, Luna, and Truitt, accepted by Rep. Hupp, is a good step, but does not go far enough. If privatization proves unworkable, the only way to stop it is to enact new legislation, signed by the governor. The Senate version to pilot privatization and then authorize it only if it works ensures that it won't continue if it doesn't work.