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CPS, FOSTER CARE, & OTHER CHILD-WELL-BEING FUNDING NEEDS IN 2002-2003

More Funding Needed to Sustain, Continue Improvements in CPS Caseloads

On Tuesday, February 6th, the Texas Department of Protective and Regulatory Services (DPRS) is scheduled to have its budget request heard by the House Appropriations Subcommittee on Health and Human Services. Individuals and groups who are concerned about state funding for child protective services (CPS), foster care, adult protective services, at-risk prevention programs for children and youth, child care regulation, and many other important DPRS programs will have a chance to testify at this hearing. This Policy Page summarizes important recent developments in DPRS funding.

RECAP: 1999 BUDGET BOOST

Child well-being advocates in Texas may remember that in 1999, DPRS received the Legislature's and Governor's approval for a substantial budget increase in almost all its programs—ranging from child protective services (CPS), to foster care and adoption payments, to preventive services. Compared to the prior budget cycle, the agency had a two-year spending increase of \$258 million for 2000-2001 and permission to hire 380 new CPS caseworkers, raise foster care rates, purchase more services for kids in the CPS system, and implement technological improvements that would let DPRS workers be more efficient. The outcomes of these new resources were immediately evident, with results such as fewer child deaths overall and fewer child deaths in cases where DPRS had prior contact with the family; reduced CPS caseloads; and better supervisor-to-CPS caseworker ratios. However, even with the additional funding and staff it has, DPRS (like many other HHS agencies) continues to struggle with high turnover rates, heavy caseloads, and other challenges as it struggles to protect Texas' most vulnerable residents.

SB1 AS FILED: MORE FOR FOSTER CARE, BUT CPS CASELOADS WORSEN

In the proposed \$108 billion state budget making its way through House and Senate budget committees (SB 1), the Legislative Budget Board recommended a base level of funding of \$1.477 billion for the next 2-year budget cycle (2002 and 2003). At first glance, this appears to be a big improvement from the 2000-01 budget cycle, in which DPRS will be spending about \$1.408 billion.

But the additional \$69 million proposed in SB 1—of which almost \$29 million is General Revenue or GR match for

federal funds—represents less than a 5% increase overall. Proposed staffing for DPRS remains unchanged from current levels, at just under 6,700 full-time employees. And, looking more closely at the LBB's recommendations (see table), it becomes clear that the SB 1 proposal as it currently stands would leave funding relatively unchanged for CPS intake, Child and Family Services (through which most CPS investigation activities are funded), family preservation, at-risk prevention programs, MHMR investigations, the CAPS system, and administration. Two areas, adult protective services and child care regulation, would experience *cuts* compared to current funding levels. In SB 1 as filed, almost all the DPRS increase is for foster care and adoption payments, which would get almost \$80 million more in the next budget cycle than in 2000-01.

DPRS Biennial Funding—Current, Requested, and Proposed for 2002 and 2003 (in million \$)

	2000-01 (current)	2002-03 (request)	2002-03 (SB 1)
CPS intake	\$ 13.3	\$ 15.9	\$ 13.0
Child and Family Services	369.8	433.0	368.3
CPS Purchased Svcs	95.9	142.4	102.8
Family Preservation	29.3	29.4	29.4
Foster Care/Adoption Pymnts.	593.4	724.0	671.5
At-Risk Prevention	123.2	158.3	126.0
Hope Center*	3.6	3.6	-
Adult Protective Services	55.5	61.0	51.2
MHMR Investigations	9.6	12.9	9.6
Child Care Regulation	43.2	50.5	35.5
CAPS Automated System	24.5	39.0	23.2
Indirect Administration	46.9	67.6	46.7
TOTAL	\$1,408.2	\$1,737.7	\$1,477.2

* Hope Center does not separately appear as a recommended funding strategy in SB 1.

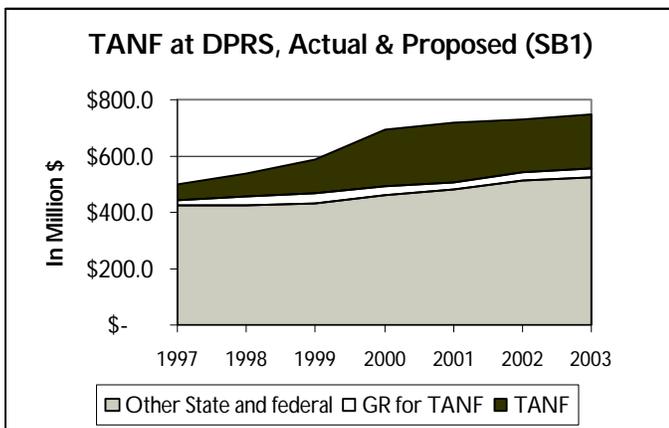
The middle column in the Table indicates what amounts DPRS had originally requested (including exceptional items) when it submitted its budget proposal last fall—a budget which would have required \$1.738 billion in total funding. This is about \$260 million less than the LBB recommended, with the biggest shortfalls found in CPS investigations (\$65 million) and foster care/adoption payments (\$53 million). Unless legislators make changes to the DPRS budget in SB 1, this shortfall in the Child and Family Services (CPS) strategy means that average weighted CPS caseloads per worker are projected to rise from 23.1 (budgeted for 2001) to 25.3 by 2003. Even with the amounts that DPRS had requested for CPS investigations, caseloads would have gotten worse, climbing up from the low of 19.9 achieved in fiscal 1999.

GOVERNOR'S BUDGET PROPOSAL

Governor Rick Perry's budget proposal for DPRS would provide \$16.1 million more than in SB 1. Gov. Perry proposed this increase to allow DPRS to hire 220 new staff, including 121 new workers for CPS investigations to reduce caseloads per worker to about 20.

IMPORTANCE AND RISKS OF TANF FEDERAL FUNDING

CPPP's role as advocates for low-income Texans has led us to be very concerned about the increased dependence of DPRS on federal Temporary Assistance for Needy Families (TANF) dollars (see chart). Many of the improvements made by the 1999 legislature were funded with TANF dollars, which have become especially important in CPS and foster care funding. In 1997, TANF federal dollars made up only 11% of the agency's budget; in fiscal 2001, TANF will be almost 30% of the DPRS budget.



DPRS's budget request for fiscal 2002-2003 would not reduce the agency's overall reliance on TANF, and would in fact require another \$87 million in federal TANF for the biennium (\$39 million in fiscal 2002, \$48 million in fiscal 2003) if all exceptional items were approved with the proposed method of finance. With TANF reauthorization looming in 2002, CPPP's concern is that existing funding patterns put DPRS and its critically needed programs at risk—particularly in light of the major cuts Texas has seen recently in federal social services funding. DPRS and other

state agencies are already struggling to cope with cuts in Title XX; we don't want the same thing happening in a few years with TANF, especially when the total amount of lost dollars could be much greater. Additionally, decisions to allocate so much TANF to DPRS—with its steadily growing caseloads for CPS and foster care—are limiting the resources available to fund traditional welfare-to-work services such as child care, education, and training.

FOSTER CARE INITIATIVE: MEDICAID COVERAGE TO AGE 21

HB 98 by Rep. Glen Maxey, which has been referred to the Public Health Committee, would allow Texas to implement a provision of the federal Foster Care Independence Act of 1999 that enables states to cover 18-, 19-, and 20-year olds in their Medicaid programs if they were in state foster care on their 18th birthday. (The companion bill is SB 51, by Judith Zaffirini, referred to Senate HHS.) Medicaid coverage would not be provided if the young adult was already covered by a health plan considered "adequate" by the Health and Human Services Commission. The initiative is expected to cost \$3.3 million in General Revenue (which would draw down matching federal dollars) in the 2002-2003 budget cycle. Public testimony on HB 98 could take place early in the session; interested supporters should check with the sponsor's office (Rep. Maxey, 512-463-0552), or the Public Health committee clerk (512-463-0806) for more up-to-date information.

In addition to the extended Medicaid coverage, research by the CPPP Texas Foster Care Transitions project underscores the need to make the statutory and funding changes important for foster care youth to get other needed supports. For example, foster care youth should be able to receive stipends during the period between high school graduation and fall enrollment in college; Independent Skills Living training should begin early; and all foster children should participate in this training. A mechanism needs to be in place to continue providing support after foster care youth leave the care of the state.

Anyone interested in testifying at either the Senate or House budget or bill committee hearings should check

<http://www.capitol.state.tx.us/cgi-bin/db2www/tlo/cmteschd/schdmenu.d2w/report>

for up-to-date agendas, room numbers, and other important information.

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