



CHILD PROTECTIVE SERVICES/FOSTER CARE BUDGET CUTS FOR 2004-05

Protective and Regulatory Services' loss of prevention program funding reflects inadequate revenue available to state budget-writers

As promised, the CPPP is providing additional information as soon as it becomes available about the client impacts that the state budget for 2004 and 2005 will have on communities across the state. This Policy Page describes cuts in child welfare programs administered by the Department of Protective and Regulatory Services, which will receive General Revenue funding of \$484 million in the biennium that begins September 1st--down from \$529 million in 2002-03, for an overall cut of 9 percent in GR funding.

CONFERENCE COMMITTEE REPORT ON HB 1: FIRST, THE GOOD NEWS FOR PRS

In the face of an almost \$10 billion biennial budget gap that became evident in January 2003, state agencies were instructed to prepare new budget requests with 12.5% less General Revenue funding. For the Department of Protective and Regulatory Services (PRS), which among other things operates child and adult protective services, foster care and adoption subsidy programs, child care regulation, and several at-risk prevention programs, a 12.5% cut meant that PRS had to determine what it could continue to provide with \$455 million in General Revenue. House and Senate budget conferees on House Bill 1 (General Appropriations Act for 2004-05) managed to find \$29 million more in General Revenue funding for the agency--for a total GR biennial funding level of \$484 million--staving off some of the worst cuts that PRS would otherwise have faced. More good news: federal and other funds (primarily state Crime Victims Compensation money) were used to make up for the lack of GR, for an overall PRS budget increase of 4%. (See table at the end of this Policy Page for details on HB 1 proposed appropriations by PRS program/strategy for 2004-05, and how the levels compare to current funding.)

Particularly heartening is the decision by the budget conference committee to authorize the hiring of new CPS staff to keep caseloads from getting worse for child abuse investigators. The HB 1 conference report recommends that 356 staff be added at PRS in the next two years (178 in 2004, followed by another 178 in 2005). Among the prevention programs, Communities in Schools fared the best, with a recommended funding level that will allow for a small increase in the number of students served.

...AND NOW THE BAD

CUTS IN PROGRAMS THAT PREVENT CHILD

ABUSE: At least two PRS child abuse prevention programs may receive no funding in the next biennium, and one will see a funding reduction. The programs slated for elimination are: (1) Healthy Families, which served 1,768 families in 19 communities in 2003; and (2) Family Outreach, which had 30 centers operating locally with a clientele of 997 families. A third category of programs, Tertiary Prevention of Child Abuse, served up to 320 families in 2003 and will receive up to \$120,000 annually in PRS funding. The STAR program (Services to At-Risk Youth), which served 6,390 youth in 2003, will be funded at a lower level (up to \$18.6 million annually, for a 16% cut). This reduced funding will allow STAR to reach only 5,367 youth annually in 2004-05--a drop of 1,023 clients.

CUTS IN PROGRAMS THAT PREVENT

DELINQUENCY: One program aimed at preventing juvenile delinquency may receive no funding through PRS in the coming biennium: At-Risk Mentoring (Big Brothers/Big Sisters), which served more than 2,400 youth in 2003. In a rider, legislators authorized PRS to spend up to \$250,000 annually on the Buffalo Soldiers Heritage Program, which reaches almost 300 minority and at-risk youth in five Texas counties. One delinquency prevention program, the Community Youth Development (CYD) grants, took a 16% budget cut, to a funding level of \$7.1 million annually. At this lower level of funding, CYD will serve 5,772 youth, down from 6,871 in 2003.

CUTS IN PROGRAMS THAT SUPPORT

ACADEMIC SUCCESS: In this category, three programs may no longer receive funding through PRS: (1)

the HIPPY program (Home Instruction Program for Preschool Youngsters), which made services available for 393 families and their 403 children in fiscal 2003; (2) Second Chance, which reached 763 teen parents and their 839 children in Bexar, Dallas, Harris, and Hidalgo Counties; and (3) the Parents as Teachers program, which served 413 parents and their children aged 5 or under through five sites in Texas. (Note: many other Parents as Teachers sites do not receive funding through PRS contracts and will not be affected by state budget cuts.)

FOSTER CARE CUTS: Budget conferees made several recommendations to cut rates paid to health and social services providers. Among these cuts is a 3% reduction (\$17 million GR) in foster care payments. These cuts will only increase the current scarcity of foster and adoptive homes. Already caseworkers have trouble finding a good foster home for each child, and 3,500 children are now eligible, but waiting, for an adoptive home. The cuts to foster care and adoption subsidies will make matters worse.

GR funding reductions are being made to foster care and adoption subsidy payments as a result of changes in the Level of Care system; administrative cuts; and a new tiered plan for adoption subsidies. The new foster care rates will go into effect by October 1, 2003. The new tiered

payment schedule for adoption subsidies will apply only to children placed after September 1, 2003.

CUTS IN SERVICES PROVIDED TO FAMILIES: The PRS budget strategy, "CPS Purchased Client Services," will lose \$8.8 million in funding, for a 9% budget cut from 2002-03 funding for these programs. (Originally, PRS had sought a 30% increase in funding for client services.) The damage to the CPS/foster care system of some of these cuts could be offset in other parts of the budget: the Commission on Alcohol and Drug Abuse, for example, is directed in the budget to use \$2.1 million in federal substance abuse funds to serve clients referred by PRS. But reductions in services will still take place, making it more difficult for families to get the help they need.

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Proposed Funding for Texas Department of Protective and Regulatory Services, 2004-05

	Funding in 2002-03 (million \$)	Recommended for 2004-05 (million \$)	Biennial Change (million \$)	Percent Change
CPS Statewide Intake	\$ 14.8	\$ 14.8	\$ 0	0%
Child and Family Services (CPS Investigations)	418.8	432.6	13.8	3%
CPS Purchased Client Services	101.6	92.9	(8.8)	-9%
Intensified Family Preservation	32.3	32.1	(0.1)	0%
Foster Care Payments	631.9	714.8	82.8	13%
Adoption Subsidy Payments	177.3	204.4	27.1	15%
At-risk Prevention Services/Children's Trust Fund	129.3	99.9	(29.4)	-23%
Adult Protective Services	60.8	60.1	(0.7)	-1%
MHMR Investigations	11.4	8.6	(2.8)	-25%
Child Care Regulation	47.1	38.0	(9.1)	-19%
Maintain Automated System	30.7	17.5	(13.3)	-43%
Indirect Administration	51.5	53.8	2.3	5%
TOTAL	\$ 1,707.5	\$ 1,769.4	\$ 61.9	4%
METHOD OF FINANCE				
General Revenue	\$ 529.2	\$ 483.7	\$ (45.5)	-9%
Federal	1,106.7	1,180.2	73.5	7%
Other	71.6	105.5	33.9	47%