



## Child Protective Services Budget Issues

### Texas Still Trails Other States in Protecting Children from Abuse and Neglect DPRS Likely to Get More CPS Caseworkers and Funding

#### Key Legislators Are Backing Increased Resources for Child Protection

One health and human service budget issue that has successfully captured legislators' attention and support is the need to increase funding for the Texas Department of Regulatory Services (DPRS), the state agency responsible for investigating and preventing abuse or neglect of Texas children and adults, regulating child care facilities, and providing foster care and adoption services for children who cannot remain in their biological families. An emergency spending package is likely to provide more money to DPRS in the remainder of this fiscal year, and the general appropriations act (HB 1/SB 2) will probably provide more resources for 2000 and 2001, although not as much as is needed to fully address Texas' child abuse crisis.

#### Background

In August 1998, the Texas Department of Protective and Regulatory Services (DPRS) submitted its budget request for fiscal 2000 and 2001 to the Legislative Budget Board (LBB) and the Governor's Office. The base budget identified a need for \$1.2 billion in biennial funding, a \$22 million (2 percent) increase from 1998-99 spending levels. Of the total request, \$485 million would come from state general revenue (including state funds for Medicaid, Temporary Assistance to Needy Families maintenance of effort, and Title IV-E Foster Care/Adoption Payments).

By strategy, the DPRS base budget included:

- \$19.4 million for intake and assignment of child abuse/neglect reports;
- \$309.7 million for child abuse/neglect investigations and services for at-risk children and their families;
- \$53.6 million for purchased services for children;
- \$28.3 million for family preservation and reunification;
- \$538.4 million for foster care and adoption subsidy payments;
- \$69.2 million for At-Risk Prevention Services; and
- \$2.3 million for youth services provided through the Hope Center.

Additionally, DPRS requested \$14 million in current services funding for the CAPS automated system (Child and Adult Protective System).

A dozen exceptional items identified by DPRS—costs that could not be included in the base budget because of how state budget officials defined “current services”—required another \$70 million for the biennium. One exceptional item was a request for \$1.7 million to keep caseloads for child protective services (CPS) from getting even heavier. In fiscal 1998, Texas CPS workers had an average weighted caseload of 27.5 cases, more than twice the workload recommended by the Child Welfare League of America (CWLA).

Before the start of the 76<sup>th</sup> Legislative Session, DPRS also identified policy changes that could be made by legislators to improve child protective services efforts. Many of these would also have a fiscal impact at the state or local level.

Going into the session, DPRS—like other Texas health and human services agencies—knew that legislative approval of increased funding for critical programs would be tough to secure, even with a multibillion-dollar state surplus projected for 2000-01. Funding for child protection would have to compete not only with other state spending needs, but also with tax cuts proposed by the Governor and other state officials.

## Judge McCown's Report

In mid-October 1998, District Judge Scott McCown sent a petition to the Governor and to state legislators requesting additional funding for Texas child protective services.\* Based on statistical research and a perspective gained from 9 years of serving as a judge and hearing over 1,400 cases involving abused and neglected children, the McCown petition requested that two cents from each dollar of the anticipated state surplus be spent on child protective services and prevention programs.

Concluding that the Texas CPS system (Exhibit 1) was like an overburdened rescue ship, increasingly unable to respond to new cries for help, Judge McCown provided many eye-opening statistics to support his argument that CPS desperately needed more resources:

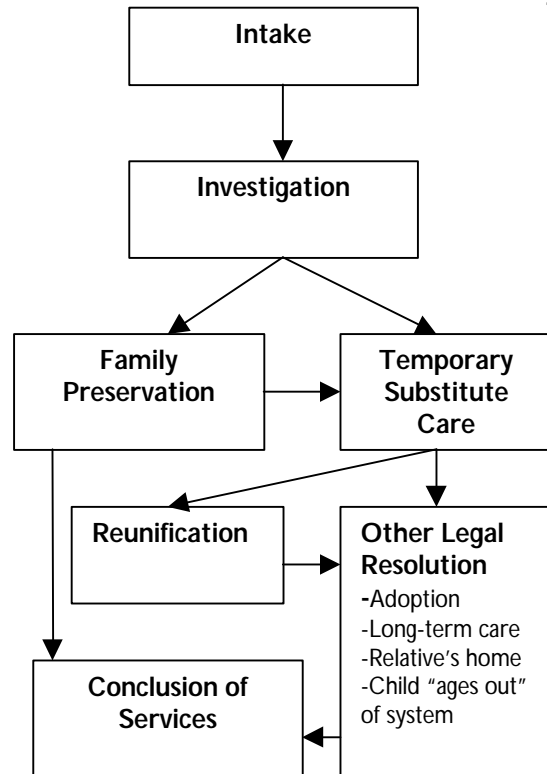
- Only 60 percent of child abuse and neglect reports were investigated in 1997-98—an 8-year low;
- The share of investigations that involve a confirmation of abuse or neglect dropped from 56 percent in 1985 to a current level of 28 percent;
- Of the 35 states reporting comparable data, Texas ranked 30<sup>th</sup> in removing abused or neglected children from unsafe homes;
- Texas has put more resources into protecting children, but more and more of those resources are going to implement “permanency” (adoption and foster care) mandates. And even with increased funding, Texas still ranks second to last in per-capita child welfare spending; Florida spends twice as much per-capita on child welfare, and Illinois spends 4.5 times as much.

DPRS looked into the issues raised by Judge McCown and confirmed many of his findings. Texas CPS efforts compare favorably to other states with regard to staff turnover or pay, caseloads, or spending. Using time study data from 1990 and 1998, DPRS also found that the time spent on a child abuse investigation has dropped 25 percent. Turnover for entry-level CPS caseworkers has risen to 37 percent, compared to 14 percent for all classified state workers.

## DPRS and State Leaders' Response

Responding to the McCown petition, Governor Bush promised to provide more funding for foster care and caseworkers to DPRS. The Governor and other legislative budget officials also gave DPRS time to prepare and submit a new budget request for CPS. Meanwhile, the LBB issued its budget recommendations for DPRS and other state agencies, introduced in the 76<sup>th</sup> Session as the General Appropriations Act (HB 1/SB 2).

## Exhibit 1: Child Protective Services System



Source: Department of Protective and Regulatory Services.

For all strategies serving children and for the CAPS system, the LBB recommended \$1 billion in funding, a 6 percent increase from 1998-99 (Exhibit 2). The largest increase was for foster care and adoption payments; recommended funding for these was 10 percent (\$49 million) higher than 1998-99 levels. At-risk prevention services received an extra \$6.2 million in recommended appropriations. For the strategy that includes investigations, the LBB recommended only a \$4.9 million increase (1.6 percent over 1998-99 spending).

The DPRS supplemental budget request to address the McCown report was finished in January 1999 and has been a focus of the testimony and information presented during House and Senate budget committee hearings in February and early March. Judge McCown was also present at House and Senate committee hearings to answer legislators' questions.

The supplemental request called for an additional \$211 million in funding for the coming biennium, of which \$104 million would go to programs serving children and to CAPS improvements. The extra amount requested would be enough to hire another 886 full-time staffers in fiscal 2000, increasing to 905 by 2001; more than a third of the staff increase would be devoted to reducing CPS caseloads. Even with this increase, though, weighted caseloads would be about 21 cases per CPS staffer, still well above the 12 cases per worker CWLA standard.

\* The report can be found on the Travis County web site at <http://www.co.travis.tx.us/petition/contents.htm>.

## Exhibit 2: Child Protective Services Funding—Actual, Requested and Proposed

In millions of dollars

Budget Goal/Strategy in DPRS Budget	1998-99 Spent/Budgeted*	Originally requested by DPRS for 2000-01**	Proposed for 2000-01 in HB1/SB 2	DPRS request in response to McCown report
A.1.1: CPS statewide intake	\$11.9	\$19.3	\$12.2	--
A.1.2: Child and family services (including investigations)	309.7	316.4	314.6	41.1
A.1.3: CPS Purchased services (such as day care)	65.6	77.0	66.9	32.2
A.1.4: Intensified family preservation services	28.0	28.3	28.3	.7
A.1.5: Foster care/adoption payments	471.6	520.6	520.6	--
A.1.6: At-risk prevention services	69.9	84.2	76.1	14.9
A.1.7: Hope Center	3.6	3.6	3.6	--
A.4.1: Automated system (CAPS)	<u>14.0</u>	<u>31.5</u>	<u>14.1</u>	<u>15.2</u>
<b>TOTAL</b>	<b>\$974.3</b>	<b>\$1,080.9</b>	<b>\$1,036.4</b>	<b>\$104.1</b>

\*About \$9 million in extra funding for the remainder of fiscal 1999 is proposed in SB 472, the emergency appropriations act being considered by the 76<sup>th</sup> Legislature.

\*\* Includes exceptional item funding. Some of these exceptional items were also part of the McCown response; as a result, total DPRS funding requests should not be calculated from the figures above. Indirect administration and other DPRS programs are not shown.

Sources: Texas Department of Protective and Regulatory Services Legislative Appropriations Request, August 1998; Legislative Budget Estimates, January 1999; DPRS Supplemental Budget Request, January 1999.

About \$22 million of the extra funding requested was for preventive programs such as Healthy Families, at-risk mentoring, the Right Choices program, and other initiatives. The supplemental request did not include a rate increase for foster care services, which have not been adjusted across the board since 1992. The Texas Association of Licensed Children's Services estimates that a biennial increase of \$39 million (about half coming from general revenue) would be enough to increase foster care payments by 9.75 percent across the board.

DPRS also issued a report in late December 1998, entitled "Child Abuse and Neglect-Related Deaths in Texas and the Nation." The report had been requested by the DPRS board chairman in an effort to identify risk indicators and prevent future child deaths. It confirmed what many board members already suspected: child deaths in Texas are increasing at an alarming rate. In 1997, 103 children in the state died from confirmed abuse or neglect; by 1998, child deaths had risen to 176—a one-year increase of 71 percent. In both years, about a third of the children had had prior contact with a CPS worker, indicating a missed opportunity to intervene and possibly save the child's life. Four-fifths of the children who died in fiscal 1998 were under the age of 5; of those, half were infants (under one year old).

Included in the December report was an action plan for CPS to put more emphasis on child safety; to subject high-risk cases to higher scrutiny using a risk assessment tool

piloted in San Antonio and Houston; and to provide training to CPS field staff and educate judges on high-risk factors in child abuse or neglect situations. The December report also identified the need for more resources—including CPS caseworkers, incentives to combat high staff turnover rates, training, and increased supervision—to improve state CPS efforts and child well-being.

### Governor's Budget Proposal

The Governor's budget proposal, as promised, did include additional resources for CPS and foster care, but not to the full extent requested by the agency or Judge McCown. The Governor also proposed a significant method-of-finance change for DPRS that is being closely monitored by CPPP.

DPRS funding proposed by the Governor for 2000-2001 totals \$1.3 billion, a 13 percent all-funds increase from 1998-99. Highlights of the Governor's proposal:

- CPS programs would receive an additional \$45 million in funding, enough to hire an extra 327 employees to reduce caseloads and improve supervisory ratios.
- General investigative caseloads for CPS workers would drop to 20.7 per worker.
- Funding increases would allow better assessments to be carried out as part of investigations, as well as ensure that a higher percentage of clients receive post-investigation CPS caseworker services.

The Governor's proposal, like DPRS', did not include recommendations for increasing foster care payment rates.

Besides CPS funding, the other major proposal in the Governor's proposal for DPRS is to make it the primary agency receiving TANF maintenance of effort (MOE) funding. (In comparison, the LBB and HB 1/SB 2 recommended no TANF MOE funding for DPRS programs.) The Governor's stated reason for this recommendation is that DPRS' spending has been much more predictable than recent TANF welfare caseloads.

Some important questions must first be answered if this funding change is pursued, because crucial distinctions exist between allowable spending of federal TANF funds and allowable spending of state MOE funds. While TANF funds may be spent any way in which they were previously used under the state Title IV-A programs, MOE funds are more limited to the purposes spelled out in federal law. Texas state budget writers should get a definitive ruling on the legality of such a change before proceeding. Additionally, to the extent this MOE transfer is being used merely to supplant existing state spending on foster care or other DPRS programs, the Center would oppose such a proposal. The term "maintenance of effort" suggests that "cutting" previous effort would violate the intent of the law and possibly even specific requirements relating to TANF MOE.

### Emergency Funds for CPS for Fiscal 1999

SB 472 will provide \$97 million in additional funding for various state programs for the current biennium that ends in August 1999. Child protective services at DPRS would receive \$9 million in total funding, of which \$2.8 million is general revenue. That amount would be enough to add another 220 full-time CPS staffers by the end of August 1999. CPS was included in the emergency appropriations act because legislative leaders decided the resource problems facing DPRS were too large to put off until the next biennium. The House Appropriations Committee substitute was approved by the full House on March 11<sup>th</sup> and returned to the Senate for approval.

### What's Next?

The DPRS budget request has already been heard by House and Senate budget committees. In the next two weeks, these committees will be marking up the proposed budgets, increasing (or decreasing) the funding levels originally recommended by the LBB.

Several key officials, including Senator Bill Ratliff (Senate Finance Chairman), have already expressed a commitment to providing more resources for child protective services, placing CPS high on the priority list

for use of surplus funds. Others have indicated skepticism that more CPS caseworkers or other resources are needed, and appear to believe that DPRS could do a better job with the staff and funding it already has. Finally, some legislators are waiting to see what other budget items are on agencies' or state leaders' "wish lists," including tax cuts for businesses or for property owners, teacher or state employee pay raises, public education initiatives, and other spending needs.

Individuals or groups concerned about child protective services in Texas should contact their senator and representative and indicate their support for DPRS' supplemental request for funding increases for child protective services. The ideal time to do this is before Senate and House committees finish marking up health and human services budgets in the next two weeks.

Any additional resources would help improve the CPS program; however, even if DPRS gets all of the funds it has requested, CPS caseloads will continue to be high—compromising the quality of each child abuse investigation conducted. Still, even incremental improvements to CPS are a good start.

Several bills had also been introduced by March 11<sup>th</sup> (the next-to-last day before the filing deadline) that would improve child protective services. Expressing support for these bills, or testifying on them when they are brought up in House and Senate committees, is another way to become involved in the legislative process.

- HB 159 (Wise) would amend state law on the reporting of child abuse by any adult, not just teachers, social service workers, health care workers, or other professionals.
- HB 2355 (Goodman) would enact several changes to state laws on child protection, temporary placements, and adoption.
- HB 697 (Wilson) would speed up the payment and certification process for relatives of a child who wish to be the child's foster care parent(s).
- HB 2192 (Wise) – Scheduled for hearing on March 16 – would require training for certain professionals in recognizing child abuse or neglect.
- HB 2601 (Dukes) would limit CPS worker caseloads to no more than 18 cases.

Additional information on the status of these bills is at <http://www.capitol.state.tx.us/tlo/billsrch/search.htm> or contact CPPP.