

DFPS Legislative Appropriations Request: Testimony to the LBB on Funding to Support Children and At-Risk Families in the FY 2020-2021 Biennium

The Legislature supported important funding increases and child welfare reforms over the last two sessions. However, there is much more work to do. The DFPS LAR requests \$410 million in Exceptional Items, yet more funding is needed to support older youth in care; prevent abuse and neglect in at-risk families; develop more safe, appropriate homes for children in foster care; and implement the new federal Family First Prevention Services Act.

Introduction: Texans Care for Children recommends strengthening state investment in prevention services and ensuring all children in substitute care have safe, appropriate homes.

The Legislature increased funding and passed important child welfare reforms over the last two sessions. However, there is much more work to do. In particular, more funding is needed to support older youth in care; prevent abuse and neglect in at-risk families; develop more safe, appropriate homes for children in foster care; and implement new federal legislation.

The investments the Legislature made last session have improved the system and children's lives. In its LAR, DFPS noted some significant improvements Texas has made since last session. Particularly noteworthy changes include expanding the states' prevention programs to reach five times as many families and youth and significantly reducing caseloads and turnover in Child Protective Investigations.

To build on the good work Texas has been doing, we recommend greater investment in supports for older youth in care and prevention programs, especially those that focus on pregnant and parenting youth in foster care and therapeutic substance use purchased services. We also recommend continuing support for strategies designed to ensure a sufficient number of high quality foster care placements across the state.

Recommendation #1: Invest in prevention services to reduce abuse and neglect, keep families together, and address teen pregnancy and parenting in foster care.

Increased funding for Preparation for Adult Living (PAL) staff to support older youth and help prevent teen pregnancy among youth in foster care.

We support Exceptional Item 5 and urge the Legislature to provide additional funding beyond the \$2.6 million requested for 11 new PAL staff and 7 Regional Youth Specialists to expand the agency's capacity to provide PAL services. PAL staff at DFPS manage services that help prepare older youth in foster care for successful adulthood. DFPS recognizes that these services reduce negative outcomes for Texas youth such as future criminal justice involvement, early or unplanned pregnancies, or homelessness. Although we are pleased to see DFPS focus on providing services to older youth in care, more funding is needed to improve outcomes for this vulnerable population.

Increased funding for prevention programs that support at-risk families, including pregnant and parenting youth in foster care.

Helping through Intervention and Prevention (HIP)

HIP provides voluntary support services to current and former foster youth who are pregnant or parenting a child under the age of three. HIP is proven to help pregnant and parenting youth establish stable, thriving families and can help end a cycle of future involvement with CPS. We are pleased to see a 11.4 percent increase in funding for HIP in the base budget for a total request of \$2.4 million. There is no Exceptional Item request for HIP, and unfortunately, HIP services are still unavailable in several areas of the state including the Panhandle, the Valley, and El Paso. We recommend the Legislature provide funding beyond the \$2.4 million request to help HIP expand statewide.

Healthy Outcomes through Prevention and Early Support (HOPES)

We support DFPS' Exceptional Items request to expand prevention services, which allocates \$9.4 million of the full \$30.8 million request to HOPES. HOPES contracts with community-based organizations to provide child abuse and neglect prevention services to communities with high rates of substance use, domestic violence, child poverty, child fatality, and teen pregnancy. DFPS requested a biennial total of \$46.4 million in its base budget request for HOPES, an increase of 16.2 percent over the FY 18-19 biennium.

Increased funding to treat substance use disorders to promote recovery and keep more families together.

Data from DFPS show that a majority of families that interact with CPS have substance use challenges. For example, in 2017, 68 percent of children who were removed from their homes and placed in substitute care had a caregiver whose substance use contributed to the removal. DFPS purchases substance use services for parents involved in a CPS case that are not covered by another funding source. According to the DFPS LAR, the number of “clients who will need substance abuse purchased services is expected to grow by 7.7% in FY20 and by 15.4% in FY21 compared to FY19.” **Since 2016, at least, about two-thirds of the dollars appropriated to and spent by DFPS for purchased substance use services have been used for drug testing instead of therapeutic services.** We are encouraged to see this LAR allocate more money for therapeutic services (\$8.6 million) than for drug testing (\$7.7 million). Although the base budget includes a 38 percent (\$10 million) *cut* to substance use purchased services, we are also encouraged that the Exceptional Items request seeks an *additional* \$24.2 million to maintain substance use purchased services over the next biennium.

Recommendation #2: Ensure there are enough safe, appropriate homes to end the foster care capacity crisis.

Funding a provider placement capacity portal will more quickly connect children in foster care to the most appropriate home available.

We support DFPS’ request for \$1.8 million in the base budget to create a capacity placement portal that should streamline the process of identifying the best available placement for a child. Children in foster care often have unstable living situations. They often change placements, moving from home to home or institution to institution. Placement stability alleviates some of the pressure on foster care capacity that comes from children moving around from placement to placement and also supports children’s well-being.

Funding to expand Community Based Care (CBC) could also help increase available placements across the state.

To continue expanding CBC as part of the state’s strategy to build more capacity and recruit more foster homes, the agency has an Exceptional Item requesting \$62.5 million above their base request for \$96.5 million for foster care payments in CBC Regions. The current rollout of CBC is as follows:

- Region 3B (the Fort Worth area): Our Community Our Kids (OCOK), a division of ACH Child and Family Services, has been contracting with DFPS to provide placement services since 2014. ACH is in ongoing negotiations with DFPS to take over case management services.
- Region 2 (Abilene and surrounding counties): DFPS awarded a contract to 2INgage, a new partnership between Texas Family Initiative, New Horizons Ranch, and Center Inc. this summer.
- Region 8A (San Antonio): DFPS awarded a contract to Family Tapestry, a division of the Children's Shelter this summer.
- Requests for Application are out in Region 1 (the Panhandle) and Region 8B (counties surrounding San Antonio in southwest Texas including Del Rio, New Braunfels, Victoria, and other communities).

In Region 3B in FY 2015-16, overall capacity increased by 20 percent including a 150 percent increase in placements in the Region's most rural county and a 30 percent increase in therapeutic capacity. Although the capacity gains are impressive, DFPS' Rider 21 Report, which compares certain outcomes in CBC regions to the legacy system, shows that outcomes for children in 3B are substantially similar to outcomes for children in the legacy system. It may take more time under this model before we see outcomes begin to exceed those of the legacy system, or CBC may require more funding for increased effectiveness.

Sustaining support for relative caregivers will help reduce the capacity crisis in the foster care system.

We support DFPS request in the base budget to sustain funding for the Relative Caregiver Monetary Assistance program established through HB 4 last session. We also support the Exceptional Item to maintain current service levels, which requests a \$6.7 million increase for that program. Further, we support the base budget request for Permanency Care Assistance (PCA), which includes a 30.2 percent increase (\$13.2 million) for a total of \$57 million in that program over the next biennium. PCA financially supports kinship caregivers who provide permanent homes to children who cannot be reunited with their parents.

Recommendation #3: Address implementation of the Family First Act.

The current LAR has a placeholder for the costs and investments associated with implementing the new Family First Prevention Services Act (FFPSA), which restructures federal financing for child welfare. The new federal law opens up key opportunities to fund prevention programs, but it also restricts the spending of federal dollars for certain types of congregate care. In its initial summary of the FFPSA, DFPS identified numerous costs associated with implementing the FFPSA, which include the following:

Prevention services:

- Funding to develop capacity and workforce to deliver prevention services that meet certain evidence-based thresholds;
- Funding for reporting of services provided and performance-based outcomes at the child level;
- Funding for the state match; and
- Funding to train staff on foster care candidacy and prevention planning.

Related to the new restrictions on foster care placements eligible for federal reimbursement:

- Funding to develop Qualified Residential Treatment Provider capacity (including after care support, on-site nursing and clinical staff, and accreditation);
- Loss of federal financial participation for currently eligible placements that do not meet the new standards;
- Funding to develop foster home capacity;
- Funding for increased staff time dedicated to the workload associated with performing required assessments of placements; and
- Substantially more funding for information technology revisions based on new federal data exchange and reporting requirements.

We urge the Legislature to work closely with DFPS and stakeholders to understand the budget opportunities and challenges associated with Family First Act implementation and ensure they are included in the next state budget.