



*Presentation relating to Foster Care Redesign and the  
DFPS Legislative Appropriations Request*

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House Committee on Human Services  
September 17, 2012

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Howard G. Baldwin, Jr., Commissioner  
Beth Cody, Acting Chief Financial Officer

Presentation includes:

- Update on implementation of Foster Care Redesign.
- Overview of Legislative Appropriations Request for Fiscal Years 2014-2015.

# Foster Care Redesign Summary

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- Effort to improve outcomes for children and youth in Texas foster care
- Stakeholder recommendations and legislation
- Changes the way DFPS procures, contracts, and pays for foster care services
- Case management services remain with DFPS
- DFPS will establish contract with SSCC in a specific geographic area or “catchment area.”
- The SSCC creates and ensures the full continuum of paid foster care services for all children from the catchment area.

## Foster Care Redesign - Legislation

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- House Bill 1, Rider 25, 82<sup>nd</sup>(R) Legislative Session  
Requires DFPS to submit a report that includes:
  - Expenditures for Foster Care Redesign.
  - Progress toward achievement of improved outcomes for children, youth and families based on the quality indicators.
- Senate Bill 218 by Nelson, 82<sup>nd</sup>(R) Legislative Session
  - Requires DFPS to implement a redesign of the foster care system in accordance with the Foster Care Redesign report.
  - Authorizes HHSC to develop a separate payment rate for use in the redesigned system, which must tie payments to performance targets.

# Foster Care Redesign - Procurement

## Tentative Awards

|  |  |
|--|--|
| <b>Metropolitan Catchment Area</b><br>(Note: withdrawn August 9) |  |
| Region 11 (Corpus Christi/<br>Rio Grande Valley Area)            | Lutheran Social Services of the<br>South   |
| <b>Non-Metropolitan Catchment Area</b>                           |  |
| Regions 2/9 (Midland-Wichita<br>Falls)                           | Providence Service Corporation<br>of Texas |

# Foster Care Redesign - Procurement

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- Metropolitan Area SSCC
  - DFPS has withdrawn the tentative award made to Lutheran Social Services of the South in Region 11.
  - No award will be made to a SSCC for services in the metropolitan area during this initial procurement.
  - DFPS plans to procure for an SSCC serving the metropolitan area in the future.
- Non-Metropolitan Area SSCC
  - DFPS in negotiations of a tentative contract award with Providence Service Corporation of Texas.
  - We anticipate the contract will be in effect in October 2012.

## Foster Care Redesign - Next Steps

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- Execute Contract – October 2012
- Start-Up Phase in Initial Catchment Area
  - Lasts up to 6 months from effective date of contract
  - SSCC submits their management and community engagement plans
  - DFPS and SSCC develop local joint protocol section of operations manual
  - Evaluation of readiness to begin Stage I of implementation
- First child is referred to SSCC for services – March 2013

# Foster Care Redesign Webpage

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Information on Foster Care Redesign can be found on the DFPS website at:

[http://www.dfps.state.tx.us/Child\\_Protection/Foster\\_Care/redesign.asp](http://www.dfps.state.tx.us/Child_Protection/Foster_Care/redesign.asp)



# **Overview of the Fiscal Years 2014-2015 Agency Legislative Appropriations Request**

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# FY 14-15 Summary Request

| <b>DFPS Goals</b>                     | <b>FY 12-13<br/>Exp/Bud</b> | <b>FY 14-15<br/>Base Request</b> | <b>FY 14-15<br/>Excep Items</b> | <b>FY 14-15<br/>Total Request</b> |
|---------------------------------------|-----------------------------|----------------------------------|---------------------------------|-----------------------------------|
| Goal 1 Statewide Intake               | 36,417,452                  | 36,296,828                       | 1,440,806                       | 37,737,634                        |
| Goal 2 Child Protective Services      | 2,294,445,016               | 2,377,610,472                    | 94,161,591                      | 2,471,772,063                     |
| Goal 3 Prevention Services            | 66,791,050                  | 64,095,486                       | 29,056,332                      | 93,151,818                        |
| Goal 4 Adult Protective Services      | 134,451,721                 | 134,451,734                      | 4,900,601                       | 139,352,335                       |
| Goal 5 Child Care Regulation          | 66,443,535                  | 66,443,540                       | 201,115                         | 66,644,655                        |
| Goal 6 Indirect Administration        | 120,512,919                 | 120,592,891                      | 34,488,771                      | 155,081,662                       |
| <b>Total Agency Request</b>           | <b>2,719,061,693</b>        | <b>2,799,490,951</b>             | <b>164,249,216</b>              | <b>2,963,740,167</b>              |
| General Revenue                       | 1,272,799,026               | 1,323,214,842                    | 149,259,570                     | 1,472,474,412                     |
| General Revenue-Dedicated             | 11,392,403                  | 11,392,403                       | 492,668                         | 11,885,071                        |
| Federal Funds                         | 1,418,124,529               | 1,447,863,519                    | 14,496,978                      | 1,462,360,497                     |
| Other Funds                           | 16,745,735                  | 17,020,187                       |                                 | 17,020,187                        |
| <b>Total Agency Method of Finance</b> | <b>2,719,061,693</b>        | <b>2,799,490,951</b>             | <b>164,249,216</b>              | <b>2,963,740,167</b>              |
| FTEs (in last year of biennium)       | 11,130.0                    | 10,860.7                         | 761.8                           | 11,622.5                          |

## Exceptional Item Summary

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- DFPS is seeking a total of 13 exceptional items.
    - \$149.7 million in GR funds (\$164.2 million All Funds)
  - Four exceptional items maintain current caseload or staff levels.
    - \$41.9 million in GR funds (\$46.8 million All Funds)
  - Seven exceptional items strengthen and enhance services and systems.
    - \$73.1 million in GR funds (\$82.6 million All Funds)
  - Two exceptional items restore services previously cut.
    - \$34.8 million in GR funds (\$34.8 million All Funds)
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## Agency Top Exceptional Items

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- Maintain CPS Staff Due to Erosion of IV-E Eligibility
  - \$23 million in GR funds (\$26.4 million All Funds)
- Direct Delivery Staff to Maintain Caseloads
  - \$10.2 million in GR funds (\$11.1 million All Funds)
- Caseload Growth for Relative Caregiver Program
  - \$5.8 million in GR funds (\$5.8 million All Funds)

## 10 Percent GR Reduction Schedule

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|   |                       |
|---|-----------------------|
| • Program support and administrative cost savings | \$1.5 million         |
| • Eliminate prevention services and staff         | \$58.4 million        |
| • Reduce Special Investigators through attrition  | \$2.2 million         |
| • Reduce APS and CPS Purchased Client Services    | \$12.5 million        |
| <b>Total GR reduction</b>                         | <b>\$74.6 million</b> |

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