



TEXAS
Department of Family
and Protective Services

Report on Federal Funds Maximization

**As Required by Senate Bill 1, 87th Legislative Session, 2021
(Article II, DFPS, Rider 37)**

September 1, 2021

Table of Contents

Introduction	1
Section I: Federal Funds Overview.....	2
Figure 1: Fiscal Year 2020-2021 Estimated/Budgeted Funds.....	2
Figure 2: DFPS Biennial Methods of Finance	2
Section II: DFPS Use of Federal Funds.....	3
Figure 3: DFPS Types of Federal Funds.....	6
Section III: Federal Funding to Address COVID-19.....	7
CARES Act	7
Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), 2021.....	7
American Rescue Plan Act (ARPA).....	10
Figure 4: DFPS Federal Pandemic Funding	12
Section IV: Other Federal Grants	13
Kinship Navigator Grants.....	13
NEICE Grant.....	13
Section V: Fiscal Years 2022-2023 Active Projects.....	14
Family First Prevention Services Act Congregate Care Settings.....	14
Family First Transition Act QRTP and Prevention Pilots	14
Update the Random Moment Time Study	15
Section VI: Foster Care Rate Methodology Examination and Modernization	16
Special Provision, Sec. 32, 86 th Legislature.....	16
Special Provision, Sec. 26, 87 th Legislature.....	16
Section VII: Title IV-E Funds for County Legal Services.....	17
Section VIII: DFPS Specific Federal Issues.....	18
Title IV Part E Federal Payments for Foster Care.....	18
Conclusion	19

Introduction

Rider 37 of Senate Bill 1, 87th Legislative Session, requires the Department of Family and Protective Services (DFPS) to submit progress reports related to the agency's efforts to maximize federal funds, including identifying the strategies DFPS has implemented and any successes and challenges in maximizing funding, as well as how the agency can maximize federal funds by program and funding source. Progress reports are required to be submitted by September 1 and March 1 of each year to the Legislative Budget Board and the Governor.

This report describes key federal funding sources, existing methodologies to maximize access to federal funding and planned projects for the upcoming biennium. Also included are current one-time funding opportunities under the Family First Transition Act (FFTA) and federal funding received to respond to the COVID-19 pandemic.

DFPS will provide progress reports in March and September of each fiscal year. As DFPS programs evolve over time the agency will continue to focus on maintaining access to existing federal entitlement funding, seeking new opportunities to improve the efficient and effective use of federal funds, and addressing critical needs with new federal disaster and grant funding.

Section I: Federal Funds Overview

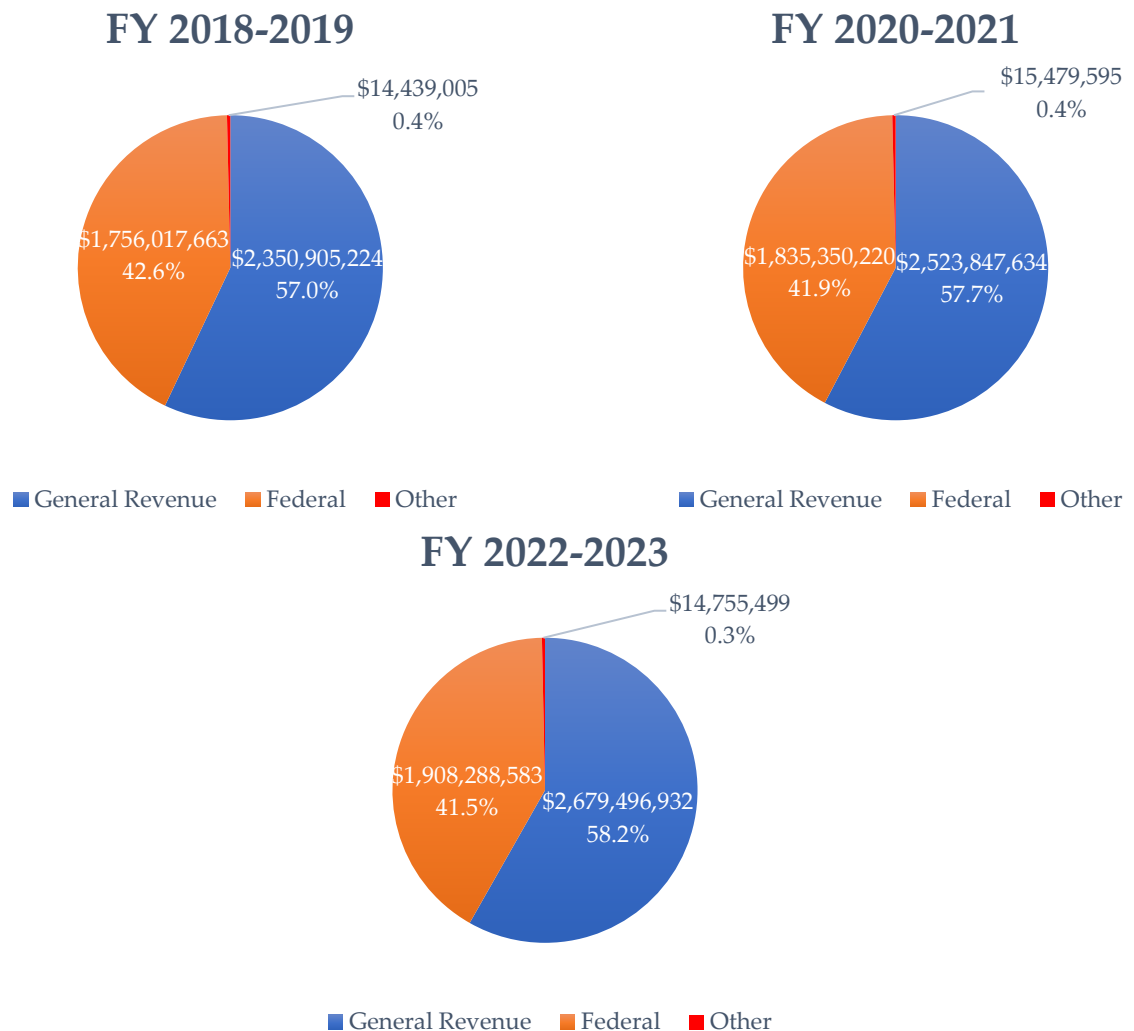
For state fiscal year 2020-2021, DFPS estimated approximately \$4.37 billion in All Funds. Federal Funds comprised 42% percent or approximately \$1.84 billion of agency funds. (See Figure 1)

Figure 1: Fiscal Year 2020-2021 Estimated/Budgeted Funds

GR-R	All Funds	% of Federal Funds
\$2,523.8	\$4,374.7	42%

DFPS accesses 17 sources of federal funds. Temporary Assistance for Needy Families (TANF) is the largest federal funding source at \$712.6 million, 38.8 percent of DFPS federal funding. The second largest is Title IV-E Foster Care Assistance at approximately \$414.8 million, 22.6 percent of DFPS federal funding.

Figure 2: DFPS Biennial Methods of Finance



Section II: DFPS Use of Federal Funds

DFPS allocates administrative costs among multiple federal funds based upon federally approved methodologies in the DFPS Public Assistance Cost Allocation Plan (PACAP). DFPS also receives federal reimbursement for direct child protective services (CPS) and Adult Protective Services (APS) client services. Listed below are the funding sources with the **major program** components funded by each federal source.

Title IV-E Guardianship Assistance Program (GAP)¹ (93.090)

Administrative Claiming: CPS Direct Delivery and Program Support Staff, Foster Care/Adoption/PCA Eligibility Staff, Foster Care/Adoption Provider Training, Permanency Care Assistance/GAP - Non-Recurring, IMPACT Maintenance and Development, and Agency Administration and Support

Direct Benefits/Services: Permanency Case Assistance payments

Title IV-B, Subpart 2-Mary Lee Allen Promoting Safe and Stable Families (93.556)

Administrative Claiming: CPS Direct Delivery and CPS Program Support/Administration, CPS Direct Delivery and CPS Program Support/Administration, PEI Services Contracts Management, and Agency Administration and Support

Direct Benefits/Services: Post Adoption/Post Permanency, CPS Purchased Services, Family and Youth Services, Community Youth Development

Temporary Assistance for Needy Families (TANF) (93.558)

Administrative Claiming: Statewide Intake, CPS Direct Delivery and CPS Program Support/Administration, IMPACT Maintenance and Development, and Agency Administration and Support

Direct Benefits/Services: Substance Abuse Purchased Services, CPS Purchased Services, Foster Care Payments, Relative and Other Designated Caregiver Payments, Home Visiting

Child Care Development Fund (93.575)

Administrative Claiming: TWC childcare system operating costs for Protective Day Care and Foster Child Day Care

Direct Benefits/Services: Protective, Kinship and Foster Child Day Care

Maternal, Infant and Early Childhood Home Visiting Program (MIECHV) (93.870)

Administrative Claiming: PEI Program Support

Direct Benefits/Services: Home Visiting Program

¹ For Texas, the Guardianship Assistance Program is referred to internally as the Permanency Care Assistance Program.

Community Based Grants for the Prevention of Child Abuse and Neglect (93.590)

Administrative Claiming: PEI Services Contracts Management

Direct Benefits/Services: PEI programs for parenting, education, counseling and youth development

Education and Training Voucher Program (93.599)

Administrative Claiming: CPS Program Support/Administration

Direct Benefits/Services: Education and Training financial support for youth including older youth in foster care, youth who have aged out of foster care, youth adopted or entered Permanency Care Assistance after turning 16.

Adoption and Legal Guardianship Incentive Payments Program (93.603)

Administrative Claiming: CPS Program Support

Direct Benefits/Services: Adoption Purchased Services, CPS Purchased Services

Children’s Justice Grants to States (93.643)

Administrative Claiming: CPI Trainings

Title IV-B, Subpart 1-Child Welfare Services (93.645)

Administrative Claiming: CPS Direct Delivery and CPS Program Support/Administration

Direct Benefits/Services: Substance Abuse Services, CPS Purchased Services

Title IV-E Foster Care Assistance (93.658)

Administrative Claiming: Statewide Intake, Child Protective Investigations (CPI), CPS Direct Delivery and CPS Program Support/Administration, Foster Care/Adoption Eligibility Staff, Foster Care/Adoption Provider Training, State University IV-E Related Child Welfare Training Activities, Preparation for Judicial Determination-Ordinary and Extraordinary Costs, IMPACT Maintenance and Development, and Agency Administration and Support

Direct Benefits/Services: Foster Care Foster Child Day Care, CPS Purchased Services

Title IV-E Adoption Assistance (93.659)

Administrative Claiming: CPS Direct Delivery and Program Support Staff, Foster Care/Adoption Eligibility Staff, Foster Care/Adoption Provider Training, Non-Recurring Adoption Subsidies, IMPACT Maintenance and Development, and Agency Administration and Support

Direct Benefits/Services: Adoption Assistance

Title XX Social Services Block Grant (93.667)

Administrative Claiming: Foster Care/Adoption Provider Training, Statewide Intake, Preparation for Judicial Determination-Ordinary and Extraordinary Costs, APS Direct Delivery and APS Program Support/Administration, Direct Delivery and Program Support/Administration, and Agency Administration and Support

Direct Benefits/Services, APS Emergency Client Services

Child Abuse and Neglect Basic State Grant (93.669)

Administrative Claiming: Project management and evaluation activities supporting the federal demonstration projects designed to advance innovations in CPS.

Chafee Foster Care Independent Living Program (93.674)

Administrative Claiming: Preparation for Adult Living Policy and Contract Administration, and Agency Administration and Support

Direct Benefits/Services: Preparation for Adult Living life skills training, transitional living supports

Elder Abuse Prevention Program (93.747)

Administrative Claiming: APS Program Support

Direct Benefits/Services: APS Emergency Client Services

Title XIX – Medical Assistance Program (Medicaid - 93.778)

Administrative Claiming: Statewide Intake, CPS Direct Delivery and CPS Program Support/Administration, APS Direct Delivery and Program Support/Administration, Direct Delivery and Program Support/Administration, IMPACT Maintenance and Development, and Agency Administration and Support

Figure 3: DFPS Types of Federal Funds

*Federal Fund FY 2020-2021 Estimated
(numbers in the millions)*

Title IV-E Guardianship Assistance Program (GAP)	\$24.07
Title IV-B, Subpart 2-Mary Lee Allen Promoting Safe and Stable Families	\$69.44
Temporary Assistance for Needy Families (TANF)	\$712.57
Child Care Development Fund	\$56.16
Maternal, Infant and Early Childhood Home Visiting Program (MIECHV)	\$34.29
Community Based Grants for the Prevention of Child Abuse and Neglect	\$8.08
Education and Training Voucher Program	\$6.01
Adoption and Legal Guardianship Incentive Payments Program	\$7.24
Children's Justice Grant to States	\$0.16
Title IV-B, Subpart 1-Child Welfare Services	\$52.77
Title IV-E Foster Care Assistance	\$414.76
Title IV-E Adoption Assistance	\$342.82
Title XX Social Services Block Grant	\$57.97
Child Abuse and Neglect Basic State Grant	\$7.43
Chafee Foster Care Independent Living Program	\$18.47
Elder Abuse Prevention Program	\$0.26
Title XIX – Medical Assistance Program (Medicaid)	\$22.87
TOTAL	\$1,835.35

Section III: Federal Funding to Address COVID-19

During State Fiscal Years 20 and 21, DFPS received a total of \$498.1 million in COVID-19 related federal funding from the following pieces of federal legislation:

- Coronavirus Aid, Relief, and Economic Security Act (CARES), P.L. 116-136;
- Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), P.L. 116-260; and
- American Rescue Plan Act (ARPA), P.L. 117-2.

Please see *Figure 4* for summary of DFPS Pandemic Funding.

CARES Act

DFPS received \$4.7 million in Title IV-B, Part 1. Funding was spent for the following purposes:

- Personal Protective Equipment (PPE) for Child Protective Services and Child Protective Investigations Staff;
- Funding to the Texas Center for Child and Family Studies to support residential and PEI providers; and
- Specialized payments for residential childcare for children who were positive for COVID.

DFPS also accessed \$407 million from the Coronavirus Relief Fund to support payroll costs of direct delivery staff, freeing up general revenue to return to the treasury.

Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), 2021

DFPS received a total of \$43.5 million. Funding is being spent for the following purposes:

Chafee Independent Living (\$25.3 million)

These funds became available to youth and young adults who were in process of transitioning or who had aged out of the foster care system up to age 27 in May 2021. The agency and partner organizations initiated a public awareness effort that included dissemination of information around this funding opportunity.

Of the \$25 million the agency received, approximately \$20 million has been encumbered either through direct expenditures to support youth and young adults, or through contracted organizations that serve the eligible population. This includes:

- Funds for youth and young adults 14-21 currently in care, or in extended foster care, available through regional CPS and Single Source Continuum Contractor Preparation for Adult Living (PAL) staff. These funds will meet not only pandemic-related needs, but also educational, vocational, and a variety of auxiliary personal and transitional

needs for youth and young adults.

- Funds for young adults 18-21 who aged out of care, and have left care, available through Aftercare Case Managers. These funds will meet not only pandemic-related needs, but also educational, vocational, and a variety of auxiliary personal and transitional needs for youth and young adults.
- Emergency funding for young adults who aged out of care, aged 21 up to age 27, available through regional PAL staff.
- PanAid funding for young adults who aged out of care, aged 18 up to age 27, available through contracts with the Texas Center for Child and Family Studies and Monarch Family Services through September 30, 2021.

Chafee Education and Training Voucher (\$3.7 million)

- Used to amend the existing Education and Training Voucher contract to distribute supplemental funds.

Title IV-B, Part II (\$8.3 million)

DFPS was awarded \$8.3 million in emergency supplemental funding to support the activities allowable under the Mary Lee Allen Promoting Safe and Stable Families Program (PSSF). In an effort to advance community-based family support (including adoptive, foster, and extended families), family preservation, family reunification, and adoption promotion and support services the department has:

- Contracted with the Texas Center for Child and Family Studies to distribute the supplemental funding to organizations that provide the allowable services. Specifically, the Center will act as a hub for communicating this opportunity with eligible organizations, solicit requests for funding, review those requests, distribute funds, and collect data to ensure funds achieved the targeted outputs. Targeted outputs include:
 - To prevent child maltreatment among families at risk through the provision of supportive family services;
 - To assure children's safety within the home and preserve intact families in which children have been maltreated, when the family's problems can be addressed effectively;
 - To address the problems of families whose children have been placed in foster care so that reunification may occur in a safe and stable manner in accordance with the Adoption and Safe Families Act of 1997; and
 - To support adoptive families by providing support services as necessary so they can make a lifetime commitment to their children.
- Added additional funds to the CPS Kinship Project for kinship support services.

Elder Justice Act (\$6.2 million)

Texas intends to spend the \$6,174,152 allocated under the Grants to Enhance Adult Protective Services to Respond to COVID-19 within several broad categories described below. The projects and expenditures undertaken using this funding positions the department to better protect vulnerable adults from maltreatment within the context of the COVID-19 pandemic.

- Direct Client Services
 - DFPS will use this funding to purchase goods and services for clients related to the increased needs of clients resulting from the COVID pandemic.
- Community Engagement
 - The COVID-19 pandemic has diminished community engagement as public gatherings and in-person contact have been curtailed in the interest of public health. DFPS will enhance community engagement through a media campaign including a revamp of the Everyone's Business Web site, development of a public service announcement, creation of online advertising pieces, and purchasing of advertising.
- Staff Training
 - Providing online training to APS staff is essential in the COVID-19 environment when in-person training puts at risk the health of personnel. DFPS will purchase and/or develop additional training curriculum to deliver online training to APS staff.
 - DFPS also participates in training events at the national level. DFPS intends to increase the volume of APS staff who attend the National Adult Protective Services Conference and who participate in the national certification program.
- Staff Retention
 - APS has experienced an increase in staff turnover since the beginning of the COVID-19 pandemic. Maintaining a robust and well-supported APS workforce is critical to timely investigations and quality protective services, particularly in the COVID-19 environment. DFPS will target funding to retain APS staff and other DFPS staff who directly support APS.
- Information Technology
 - DFPS will purchase information technology hardware and software and will execute information technology programming projects to enhance the abilities to work remotely, conduct investigations, and measure casework quality.
- Temporary Positions
 - DFPS will add two temporary positions to manage the activities of this grant – a grant coordinator within APS and a contract manager within the Purchased Client Services Division. DFPS will also add one temporary position in the Data & Decision Support Division to improve data reporting thus facilitating better program management in the COVID-19 environment.

American Rescue Plan Act (ARPA)

DFPS received a total of \$42.9 million. Funding is being spent for the following purposes:

Community-Based Child Abuse Prevention (CBCAP) (\$24.6 million)

DFPS received an additional \$24 million in CBCAP ARPA funding for use from FY22 through FY26. Annual CBCAP awards are based upon state need based on the size of the child population and on the grantee's ability to manage and use funds. CBCAP funds are granted by the Administration for Children and Families (ACF) and this expanded award allowed for consideration of additional programming beyond the state's initial proposal.

PEI is planning several new and expanded areas of programmatic implementation with the recent increases in as summarized below:

- Community Youth Development (CYD) Expansion;
- Nurse Family Partnership (NFP) Expansion;
- Update the Prevention and Early Intervention Reporting System (PEIRS) and enhance Continuous Quality Improvement Activities;
- Expand the Youth Helpline;
- Expand PEI program capacity with new staff;
- Fully fund three existing Family Resource Center sites and establish two new sites;
- Maintain existing (Healthy Outcomes through Prevention and Early Support (HOPES) services and expand proposed services; and
- Conduct a new demonstration focused on parent and youth voice, diversity and equity, and other provider identified needs.

Maternal, Infant, and Early Childhood Home Visiting (MIECHV) (\$2.6 million)

- Technology and connectivity (for home visitors and families) to support remote home visits;
- Training to support staff in providing remote home visits; and
- Funding to community grantees to retain a qualified home visiting workforce and provide emergency supplies for families, including diapers, wipes, infant formula, cleaning supplies, non-perishable food, and gift cards for perishable food items.

Grants to Enhance Adult Protective Services (\$5.7 million)

Texas intends to spend the \$5,659,858 allocated under the Grants to Enhance Adult Protective Services (APS) within several broad categories described below. The projects and expenditures undertaken using this funding positions the department to better protect vulnerable adults from maltreatment.

- Staff Retention and Expansion
 - APS has experienced an increase in staff turnover since the beginning of the COVID-19 pandemic. Maintaining a robust and well-supported APS workforce is critical to timely investigations and quality protective services. DFPS will target funding to retain APS staff.
 - To further efforts to strengthen the APS workforce, APS will create temporary frontline APS staff positions. These positions will provide additional support to APS in areas most affected by staff turnover.
- Information Technology
 - DFPS began using the IMPACT casework database in 2003. Since that time, updates have been made to maintain functionality for APS casework; however, the foundational design has become antiquated. DFPS will modernize the IMPACT casework database to enhance the ability to conduct investigations, provide services, and maintain records.
- Infrastructure (non-IT)
 - DFPS will extend temporary positions originally funded by the Coronavirus Response and Relief Supplemental Appropriations Act of 2021: Grants to Enhance Adult Protective Services to Respond to COVID-19. This included a grant coordinator and contract manager, as well as a position within the DFPS Data & Decision Support Division. DFPS will also add two additional temporary positions, including an IT project manager to oversee database improvement projects, and a project manager to oversee the development and implementation of APS' strategic plan and assist with managing this grant and developing DFPS' 3-5 year plan for this grant. These positions will assist in facilitating better program management of APS enhancements.

Child Abuse Prevention and Treatment Act (CAPTA) Supplemental Funds

DFPS was awarded \$10 million in supplemental funding through this Act. This is new, one-time CAPTA program funding, with an obligation period that extends from October 1, 2020, to September 30, 2025. The Administration for Children and Families (ACF) strongly suggested state's place special importance on interagency collaboration and community-based partnerships to support families and ensure the safety of children, particularly in underserved communities across the state when considering how best to use these funds. The agency is in the process of assessing needs across all eligible program areas to determine how to best utilize the funds in a manner that supports the grants intent. A spending plan will be finalized in the fall of 2021.

Figure 4: DFPS Federal Pandemic Funding

<i>Federal Legislation</i>	<i>Funding Category</i>	<i>Amount in Millions</i>
Coronavirus Aid, Relief, and Economic Security Act (CARES) P.L 116-136 (Signed into law on March 27, 2020)	Title IV-B, Part I	\$4.7
	Coronavirus Relief Fund	\$407.0
TOTAL CARES		\$411.7
Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) P.L 116-260 (Signed into law on December 27, 2020)	Chafee Independent Living	\$25.3
	Chafee Education and Training Voucher (ETV) Funding	\$3.7
	Title IV-B, Part II	\$8.3
	Elder Justice Act	\$6.2
TOTAL CRRSA		\$43.5
American Rescue Plan Act (ARPA) P.L. 117-2 (Signed into law on March 11, 2021)	Community-Based Child Abuse Prevention (CBCAP)	\$24.6
	Maternal, Infant, and Early Childhood Home Visiting (MIECHV)	\$2.6
	Elder Justice Act	\$5.7
	CAPTA Supplemental Funds	\$10.0
TOTAL ARPA		\$42.9
TOTAL COVID FUNDING RECEIVED TO DATE		\$498.1

Section IV: Other Federal Grants

Kinship Navigator Grants

DFPS received three kinship navigator grants from the Administration for Children and Families (ACF) since 2017 and has applied for a fourth grant. Through these grants, DFPS has provided support services to kinship caregivers across the state and is hopeful to receive a fourth year of grant funding. Some of the completed and ongoing work includes:

- DFPS used \$156,000 in federal grant funds to contract with the University of Houston to examine the infrastructure needed to support a Kinship Navigator Program in Texas, as well as the projected costs to implement and sustain the program. The review included an assessment of current services available to kinship families, gaps in resources, and costs associated to implement and sustain a Kinship Navigator Program.
- DFPS used \$426,000 in federal grant funds to collaborate with HHSC 2-1-1 to enhance services to kinship families, including infrastructure support, training development, and targeted outreach to promote kinship care resources.
- DFPS is using approximately \$450,000 in federal grant funds to evaluate opportunities to modify or enhance the service array, training, and community connections to meet the needs of kinship families and their communities. The Prevention and Early Intervention (PEI) division awarded 4 grants to Family and Youth Success (FAYS) providers for the purposes of planning for implementation of kinship navigator programs in Texas, including both rural and urban sites.
- DFPS is using approximately \$50,000 in federal grant funds to evaluate the Harris County Protective Services Family Navigation Program.

NEICE Grant

The Interstate Compact on the Placement of Children (ICPC) is a statutory agreement among all 50 states, the District of Columbia and the US Virgin Islands. The agreement governs the placement of children from one state into another state. It sets forth the requirements that must be met before a child can be placed out of state. The Compact ensures prospective placements are safe and suitable before approval, and it ensures that the individual or entity placing the child remains legally and financially responsible for the child following placement.

FFPSA required states to create an Interstate Compact on the Placement of Children (ICPC) National Electronic Interstate Compact Enterprise (NEICE) system to quickly and securely exchange data and documents for children placed across state lines. Texas has used a primarily manual process to manage the many placements made out of state and placements made in Texas from other states.

In 2019, Texas applied for and received a grant from ACF for \$424,000 to come into compliance with the FFPSA requirement for a NEICE system. This work is anticipated to be completed on schedule in fall 2022.

Section V: Fiscal Years 2022-2023 Active Projects

Family First Prevention Services Act Congregate Care Settings

The Family First Prevention Services Act (FFPSA) was signed into law as part of a Bipartisan Budget Act on February 9, 2018, as Public Law 115-123. FFPSA restructured federal child welfare funding, particularly Title IV-E and Title IV-B of the Social Security Act. Title IV-E is a significant funding source for DFPS to support licensed residential childcare for children in foster care.

FFPSA aims to reduce the use of congregate care placements by disallowing federal reimbursement for these types of settings, except in Qualified Residential Treatment Programs (QRTP), which are licensed, accredited programs that offer trauma informed treatment and after care supports; certain substance abuse placements where parents can receive treatment while having their children placed with them; and specified other limited specialized placements. This change does not limit Texas' ability to continue to place children in appropriate settings that can meet their individual needs; however, it does limit the types of settings for which the state is can receive federal participation in the cost of care.

DFPS estimates a biennial loss of \$43 million in federal Title IV-E funding resulting from the federally mandated loss of IV-E eligibility for children in congregate care settings beginning September 29, 2021. DFPS will continue to develop specialized congregate care settings that are eligible for Title IV-E as directed by SB 1896; however, DFPS does not expect to completely eliminate the loss of IV-E funding as children may continue to temporarily require congregate care settings that do not meet the FFPSA IV-E eligible settings requirements such as General Residential Operations (GRO) – Emergency and Basic child care services.

Family First Transition Act QRTP and Prevention Pilots

In December 2019, the President signed the Family First Transition Act (FFTA), which will assist DFPS in FFPSA implementation efforts. DFPS received approximately \$50.3 million in funding under FFTA to spend through federal fiscal year 2025². Prior to the start of the 87th Legislative Session, DFPS received permission to spend \$16.4 million of FFTA funding per the General Appropriations Act, 86th Legislative Session, Article IX, Sec. 13.02. These funds were approved for a pilot program for Qualified Residential Treatment Programs (QRTP) and necessary changes to DFPS automated case management and other administrative systems. During the 87th Legislative Session, the Legislature appropriated the remaining \$33.9 million of FFTA funds to provide additional support for the QRTP pilot and pilots to demonstrate the effectiveness of services delivered to certain children in Family Based Safety Services (FBSS). The 87th Legislature provided instruction in Rider 48 and HB 3041 and the agency will implement these pilot projects.

² Federal fiscal year runs from October 1 through September 30.

Update the Random Moment Time Study

The Random Moment Time Study (RMTS) is a statistically valid sampling technique that is used to determine how much time eligible participants spend performing all work activities, and how that time is allocated between direct delivery (client services) and administrative functions. The RMTS is one of several methodologies approved by the federal Health and Human Services Division of Cost Allocation as part of the PACAP). Using the RMTS methodology, direct delivery staff across Child Protective Services (CPS), Child Protective Investigations (CPI), Adult Protective Services (APS), and Statewide Intake (SWI) are matched to random moments in time during a quarterly sampling period and must report what type of activity they were performing during the selected moments, based on a federally approved set of codes which describe allowable activities supported by the federal grants. The time study results are used to determine the overall percentage of time spent performing reimbursable activities that support the department's federal claims for Temporary Assistance to Needy Families (TANF), Title IV-B, Title IV-E, Title XIX, and Title XX.

As DFPS' service delivery model has evolved with the expansion of Community-Based Care (CBC), including the delivery of case management services in Stage II of CBC, there is a need to ensure that the state continues to maximize federal funding under this new model. In order to ensure continued compliance with federal cost allocation requirements DFPS requested and received funding from the 87th Legislature to develop an enhanced RMTS system to better support areas of the state where case management functions have been secured through a contractor. DFPS is hopeful that this updated and modernized RMTS will result in potential revenue opportunities for administrative claiming, as well as an updated allocation methodology for continued CBC rollout.

Section VI: Foster Care Rate Methodology Examination and Modernization

Special Provision, Sec. 32, 86th Legislature

During the 86th Legislative Session, the Legislature passed Special Provision, Section 32, which required HHSC, in consultation with DFPS to evaluate the existing foster care rate methodology to determine whether an alternative methodology would increase provider capacity, incentivize quality improvements, and maximize the use of federal funds. HHSC partnered with Public Consulting Group to complete this work, which was presented to the Legislature in February 2021 in the [HHSC Foster Care Rate Methodology Report](#).

Special Provision, Sec. 26, 87th Legislature

After considering the report required by the 86th Legislature, the 87th Legislature passed Special Provision, Section 26, which requires DFPS, with the assistance of HHSC, to develop an alternative reimbursement methodology proposal for foster care and community-based care rates, for consideration by the 88th Legislature.

DFPS and HHSC began work on this project known as Foster Care Rate Modernization in summer of 2021. The goal of the project is to improve outcomes for children, youth, and young adults through the establishment of a well-defined service continuum that meets the needs of the foster care population and recognizes and compensates the caregiver for delivering high-quality services.

Through this work, DFPS in collaboration with HHSC and other stakeholders, will determine what kind of foster care services are needed, and clearly define each of the needed service models. Based on those defined services, a new rate methodology will be established that better aligns the cost of care with service provision and incentivizes improved child outcomes.

The rate methodology may impact federal funding once developed and the reports required by Special Provision 26 will include updates on the agency's progress. A final report outlining the new rate methodology will be released in December 2022.

Section VII: Title IV-E Funds for County Legal Services

In December 2018, the federal Administration for Children and Families (ACF) made changes to federal policy regarding the use of Title IV-E funding for reimbursement of administrative costs related to legal representation in CPS cases. Previous federal policy limited claims to county expenses for the cost of representing DFPS and prohibited claiming Title IV-E administrative costs for legal services provided by an attorney representing a child or parent. The federal policy was revised to allow the Title IV-E agency to claim Title IV-E administrative costs of independent legal representation by attorneys appointed to represent children and parents in DFPS cases.

Subsequent to the federal policy change, DFPS modified existing policy and updated contract terms to allow counties to claim such reimbursement. Counties were notified via webinar as well as ongoing communications with the contracts and finance divisions. As of the date of this report, there are currently 18 counties that are contracted with DFPS specifically for the legal representation for a child or parents. DFPS will continue to provide outreach to increase the number of participating counties.

Section VIII: DFPS Specific Federal Issues

Title IV Part E Federal Payments for Foster Care

Texas continues to experience a decline in federal financial participation of Title IV-E funding. The methodology for claiming funds uses a population ratio which is the percentage of each state's foster care caseload that qualifies for federal financial participation. The population ratio is calculated by dividing the number of children in DFPS conservatorship by the number of IV-E eligible children in IV-E eligible placements.

The foster care penetration rate (or population rate) was 30.6% in FY 2018, 29.6% in FY 2019, 28.2% for FY 2020, and 26.8% in FY 2021 (through the third quarter).

There are two reasons for this decline:

- Income eligibility for Title IV-E is linked to the 1996 Aid to Families with Dependent Children (AFDC) standards and can only be adjusted through a federal law change. To qualify for IV-E funds today, a child must come from a poorer household today than he or she would have had to in 1996; and
- DFPS places a significant portion of children with relatives and unlicensed relative placements are not IV-E eligible since the placement is not verified as a foster home. As the percentage of children in conservatorship who are in unlicensed relative placements increases, the overall IV-E population ratio decreases.

This decline is further exacerbated by the federal funding changes reflected in FFPSA. Due to the loss of Title IV-E reimbursement for many congregate care settings, Texas anticipates losing additional federal revenue.

Conclusion

DFPS is making all efforts to maximize the drawdown and use of federal funds. With significant systemic changes in the child welfare system including Community-Based Care, the Family First Prevention Services Act and one-time COVID-19 funds for specific initiatives, federal funding remains critical to assisting DFPS with helping the agency implement its mission. DFPS will continue to focus on efficient and effective management of multiple federal funding streams.