

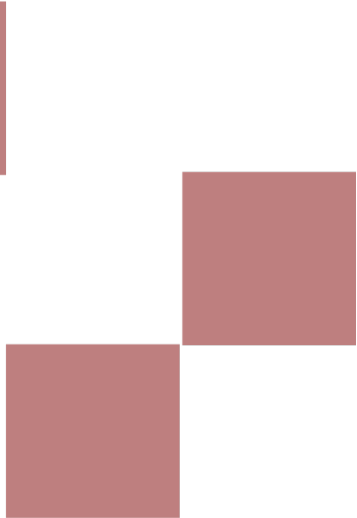


Texas DFPS Community-Based Care: Stage II Start-up Costs

January 2019

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An analysis and estimate of start-up costs assumed in the start-up phase of Stage II



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Recommended Citation

Wulczyn, F., Schlecht, C., & Bekele, A. (2019). *Texas DFPS Community-Based Care: Stage II Start-up Costs*. Chicago, IL: Chapin Hall at the University of Chicago.

Acknowledgements

We would like to thank the Texas Department of Family and Protective Services (DFPS) for funding this study and their support in meeting our needs for the study. We would also like to thank Our Community, Our Kids for engaging with us throughout the process. Finally, we would like to thank Don Winstead, and individuals from 2INgage and Family Tapestry, who spoke with us as part of this study.

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Introduction and Methods

The Texas Department of Family and Protective Services (DFPS) contracted with Chapin Hall at the University of Chicago to navigate challenges around assessing the costs associated with a contractor assuming case management responsibilities for children in DFPS conservatorship under the Community Based Care model. In order to prepare for an accurate and reasonable appropriations request for the DFPS budget, DFPS needs to understand the costs that are required to make that transition. The costs in question are those needed to *prepare* for the transfer of case management responsibilities from DFPS to the Single Source Continuum Contractor (SSCC). DFPS is also interested in understanding the itemized costs that are true one-time start-up costs any contractor will shoulder in this effort, versus start-up costs that will be backed by revenue once transfer is complete and case management functions are in operation (transitional costs) but assumed before the formal transfer of services. With the assistance of Chapin Hall staff, DFPS wishes to arrive at a reasonable expectation of start-up costs for contractors engaging in this transition across the state.

In reaching the estimates in this report, we held multiple conversations with representatives from the following entities:

- Texas Department of Family and Protective Services
- Our Community, Our Kids (OCOK): SSCC from Catchment area 3b
- A consultant who was involved in similar efforts in Florida, the first state to undertake a similar effort.
- Family Tapestry: SSCC for Catchment area 8a
- 2INGage: SSCC for Catchment area 2

In a series of phone interviews, Chapin Hall staff established the practical rationale behind projections from both sides (DFPS and SSCC), and has developed a system of categorization for expenses and functions as they pertain to DFPS and the contractor respectively. The budget categories and associated costs represent good-faith estimates of what is needed to transfer case management functions from DFPS to the private sector. Before detailing the services moving over and costs in this budget, we briefly lay out the background and context for the transition to the Community-Based Care model.

Background and Context

In 2017, the Texas Legislature expanded the Foster Care Redesign Initiative by directing DFPS to include both foster care and kinship placements in a model called Community-Based Care (CBC).¹ The Single Source Continuum Contractor (SSCC) is the agent for meeting those policy objectives — a local entity contracted by the state of Texas to “deliver a full range of locally available, least restrictive, and culturally sensitive foster and residential care services.”² The SSCC secures a contract via a competitive bidding process. They receive payments to deliver quality services targeting outcomes in safety, permanency and wellbeing by offering the full continuum of substitute care, case management, and client services for children in conservatorship. DFPS holds the SSCC to rigorous accountability standards.³

The goal of this reorganization is to implement a community centric model of care that ensures better results for the child and family. Better results are measured empirically via three separate standards: safety, time to permanency (permanent placement), and the well-being of the child.⁴ An important step in this process for both parties is to unambiguously understand and articulate the costs that the SSCC will accrue in the start-up phase, as the SSCC prepares to assume the case management functions.

¹Texas Department of Family and Protective Services (Texas DFPS) (2017). *Community-Based Care* https://www.dfps.state.tx.us/Child_Protection/Foster_Care/Community-Based_Care/default.asp.

² Texas Health and Human Services Commission Rate Analysis Department. (2013). *Proposed Payment Rates for 24-Hour Residential Child Care*. <https://rad.hhs.texas.gov/sites/rad/files/09-2013-24rcc.pdf>.

³ Ibid. (accessed 12/19/2018).

⁴ “Guiding Principles of Community Based Care”, December 2018.

CBC Staged Implementation

As opposed to an immediate statewide rollout, CBC is being implemented in a staggered process around the state. Proceeding through the state by catchment area, once an SSCC vendor is selected in a catchment area, the transfer of responsibility follows a three-stage implementation plan. Designed to ease the transformation and minimize disruptions to children and families, the plan gives staff and the contractor the opportunity to build their capacity. As more catchment areas transition to the CBC model, DFPS will optimize implementation plans across the state of Texas.

- **Stage I** involves building the infrastructure of the redesign and focuses on improving foster care quality and capacity. In this stage, the SSCC assumes responsibility for children in paid foster care once they are in the custody of the state. This stage begins the day the first referral for paid foster care for a child is made to the SSCC, and the SSCC is responsible for providing the full continuum of foster care services in a manner that improves outcomes.
- **Stage II** focuses more on improving services to families of children and youth in care. This is done through the transfer of case management to the SSCC, including family reunification support and the purchase of services in order to coordinate service planning and improve the efficiency of service delivery. In this stage, the SSCC also expands their service to include all children in DFPS conservatorship, in all types of placements. Progression from Stage I to Stage II depends on the SSCC's demonstrated readiness by passing a readiness plan administered by the state. Additionally, all services and funding must be negotiated prior to the implementation of Stage II. There is a six-month start-up phase in which the SSCC prepares to take on all case management services from DFPS. The costs assumed by the SSCC in this six-month phase are the focus of this study.
- **Stage III** maintains all responsibilities of the SSCC from Stages I and II but begins to apply incentives for timely achievement of permanency and penalties when outcomes fall below expectations.⁵

As is the case with Stage I services, there are costs assumed by the SSCC in order to put in place the staff and other resources needed to successfully take on case management services on day 1 of Stage II operations. It is the purpose of this study to identify the start-up costs an SSCC can expect to accrue prior to day 1 of the second stage of CBC.

⁵ Texas Department of Family and Protective Services, Child Protective Services. Austin, TX. *DFPS Statement of Work for Bexar County Single Source Continuum Contract*.

Stage II Services and Preparations

The services moving over to the SSCC in Stage II include all case management services to children and families in all types of placements within a catchment area. This includes caseworker visits with the families and caregivers, conducting permanency planning meetings, developing the child and family service plans, and assuming court-related duties regarding the child. Services staying with the state are intake and investigations, in-home services, as well as the oversight of service delivery⁶. Essentially, once the state assumes custody of a child, that child and all Conservatorship services for them becomes the responsibility of the SSCC.

During the aforementioned six-month start-up period, the SSCC will establish the necessary network of services, hire the requisite staff and acquire the appropriate insurance and technology to allow for the influx of cases and associated case management services on day 1 of Stage II. SSCC's can decide on their case management model – one in which they provide for all services a child and family may need, one in which they form a network of service providers for all services, or a combination of the two.⁷ These services should engage communities in meeting the diverse and individual needs of the children, youth, and families in each community within the catchment area. It is up to the SSCC's discretion, and the affordability of services, to determine the mix of available services given the needs of children served. Texas state law also requires that the party responsible for children in conservatorship employs case managers for legal work and court appearances – the SSCC cannot subcontract out any legal case management duties. Regardless of service provider model, the SSCC must ensure a continuity of care to all children and families in their care. Throughout the six-month phase prior to the transfer of services, DFPS will run assessments to determine the capability of the SSCC to implement the case management transfer. Protocol sessions, operations instructions, a network assessment and IT enhancement services are among the list of tasks and acquisitions necessary for a successful rollout; not least of which requires establishing an adequate and agreeable budget.⁸

⁶As detailed by employees of the Texas DFPS responsible for oversight of this transition.

⁷In catchment area 3b, the SSCC will utilize a hybrid case-management model with a network of service providers and acting as a provider itself.

⁸ Jeff Wilson, OCOK Director of Finance. Email message to authors, December 5, 2018.

Developing the Budget

In order to compile a list of allowable start-up costs, we organized the expenses described to us by various stakeholders into categories by function/type of expense. As we collected more data, we added, removed and repositioned items within these categories. This approach also had a snowball effect — as we probed certain costs, new ones came to the fore. In this process, we identified 3 general cost *buckets*: 1) start-up costs to transfer case management functions that have to be absorbed by the SSCC, 2) transitional start-up costs that are assumed prior to day 1 but would be otherwise be backed by revenue if services were operational, and 3) operating costs. Within these buckets, we paid attention to costs and services that are (potentially) sensitive to location and size of population transfer. The number of costs that are sensitive to size indicate there will be wide a range of start-up costs around the state. Additionally, certain items are price sensitive to their location in the state because the market value for office space and procurement of services will be different. In order to accommodate for this variability, we first provide a gross start-up cost estimate for catchment area 3b. From that base, we translate the cost into a per day start-up cost, meaning the aggregate cost of the start-up phase divided by the total number of care days of service in each catchment area in 2017. This allows us to adjust for the differences in the size of the transfer around the state. We also know the fair market value for certain components of the estimate will be different in other parts of Texas. For this reason we calculate an adjustment for office space needed and costs of office space in each area. This allows us to adjust for the location. After detailing the process to obtain these figures, we provide tables and breakdown of the estimate for each Community Based Care catchment area in Texas.

Start-up Budget Categories

We gathered information and budget items from both the SSCC in 3b and DFPS, as well as factors the SSCCs in 8a and 2 are considering to develop a list of start-up expenses and categories. In addition, we learned about two distinct cost transfers that DFPS pays to the SSCC starting in Stage I, which both continue during the start-up phase (as a function of continuing to provide Stage I services during this time) and will be provided during Stage II for the same types of expenses. These transfers are the Network Support Payment (NSP), supporting (among other things) the development and support of information and billing systems, community outreach and the development of a network of service providers, data collection needs, recruitment and training of foster homes/parents, website development and provider communications, and transportation of children between placements.⁹ This is an annual amount that is paid out to the SSCC on a quarterly basis. There is also a Resource Transfer sent to the SSCC, which helps support the staff functions including staff transportation. In Stage II, the funding for placement and conservatorship staff becomes a part of the payment for case management services to the SSCC. The process for paying for contract management services continues to be paid using the existing resource transfer process. DFPS reduces staff FTEs commensurate with the transfer of function from DFPS to the SSCC.¹⁰

Understanding this, we relied on a handful of guiding principles to make determinations as to whether an item fits inside the budget, and how it is categorized.

Start-up costs. The costs we are looking at are start-up costs incurred during the readiness phase. Start-up costs during this 6-month phase break into two kinds of costs. Start-up transfer costs are those essential costs that are unique to the transfer of business and would not otherwise be on-going once the functions transferred are fully operational. Transitional costs are those that would be supported by operating revenue but are incurred during the pre-operational start-up phase.

Network support payments for Stage I services vs start-up needs for Stage II. The NSP is based on a per child FTE and provides the SSCC with an estimated lump sum of the SSCC's network needs to provide the transferred services. This payment exists in Stage I for Stage I services, and will expand in Stage II when the SSCC expands services to include all children in DFPS conservatorship, in all types of placements (compared to only those in paid placement in Stage I). The NSP for Stage I services will continue through the 6-month Stage II start-up phase, and will expand starting Day 1 of Stage II. Some infrastructure needed to operate under Stage II is related to the infrastructure needs of Stage I, and we needed to determine those network needs that were separate and unique to Stage II. Through our interviews and document reviews, we tried to understand costs covered under the Stage I payments, the cost of operations under Stage II, and the cost of the start-up. We paid particular attention to the functional requirements of Stages I and II so that we could determine whether costs identified during the start-up were associated with preparations for Stage II.

⁹As detailed by employees of the Texas DFPS responsible for oversight of this transition.

¹⁰ Texas Department of Family and Protective Services, Child Protective Services. Austin, TX. *DFPS Statement of Work for Bexar County Single Source Continuum Contract*.

Care days. We use a per care day estimate for the budget. The multiplier we use to capture size is the number of care days in a catchment area, which is a more universal metric than the number of youth admitted, or in care, or served in a year. We received total care days for catchment area 3b from the years 2009-2017. We use the 2017 care days total — 501,583 — to arrive at a *cost per care day* for each item in the budget. We use the care day cost of each item as a base, multiplying by each area’s 2017 care days to arrive at a total for each catchment area. We then sum these totals to arrive at a start-up budget for each catchment area, after a location adjustment for the cost of real estate (more below).

Cost Categories

We determined several buckets of operational expenses that the SSCC incurs during the 6-month start-up phase. Table 1 lists the categories and the items within them, as well as an indication of whether this item was included in our final start-up budget. The buckets include expenses needs related to IT, staffing, and capital expenditures, Following the table, we explain the rationale for the inclusion of items within the final budget.

Table 1. Cost Categories of start-up phase expenses

Start-up phase item	Explanation	Included
IT/Operations		
Software Development (upgrade own system)	Upgrade software to assume case management	Yes
SSCC share of Organization's IT support and office software	Existing IT support and software that will transfer to new services	Yes
Office		
Office supplies	To outfit new/satellite office space	Yes
Office Equipment Leases	For new/satellite office space	Yes
Occupancy and Maintenance (rent, utilities, etc.)	For new/satellite office space	Yes
Workstations, computers, phones	Physical needs for new/satellite office space	Yes
New Staff		
Resources for interview and hiring decisions	For new staff	No
Criminal history checks	For new staff	No
Compensation/benefits/taxes new hires/satellite staff	New staff – both brought from DFPS and hired externally	Yes
Compensation/benefits/taxes Organization shared staff	For current staff that assume some responsibilities for Stage II services	Yes
Training and Professional Development	For new staff	No
Network Service Providers		
Outreach and Community engagement, website development, communications plan	To engage and inform community and retain network of providers	Yes
Insurance		
Retain and expand new insurance contract	New insurance needs with new function	Yes
IT Infrastructure		
Retain telecommunication service providers for new offices	To set up new/satellite office space	Yes
Telecom service provider: monthly fees	For internet/phone service	No

Transportation		
Lease Vehicles	For case managers	No
Transportation: Mileage reimbursements	For case management staff	No

Explanation of costs

In this section, we provide an explanation of some of the decision points we encountered, specific to items where there are differing perspectives between DFPS and the SSCC in catchment area 3b. For each, we briefly explain the item, provide DFPS' rationale, the SSCC's perspective for inclusion, and how we applied our guiding principles to determine its inclusion (or not) in the final budget recommendation.

Software Development (included)

When considering the software development line item, we needed to consider the functional requirements of Stage II that are true start-up costs against those that are enhancements to existing infrastructure. Compared to Stage I functional support, the SSCC's software must reflect the expanded responsibilities associated with case management services.

DFPS perspective: The Network Support Payment, which the SSCC receives as part of Stage I services and will continue to receive the start-up phase, covers this expense.

SSCC perspective: A large amount of development must occur before the system is ready to do everything that is needed for case management.

Determination: A portion of the network services payment in Stage I supports the IT needs to manage the service infrastructure and the software for Stage I services. However, the network service payment in Stage I is intended to support the development and operations of Stage I information system needs, while the software development that is needed to be ready to take on case management responsibilities is unique to Stage II functions.

Transportation: Mileage Reimbursements (removed)

This item was included in the initial start-up budget for 3b to reimburse case management staff who will accrue mileage prior to the start of Stage II.

DFPS perspective: Staff mileage is covered under the resource transfer that is received in Stage I.

SSCC perspective: Staff will not be reimbursed for their mileage until Day 1 of Stage II and this covers their expenses.

Determination: This is part of the resources that will be transferred and provided to case managers under the resource transfer when Stage II operations begin. Our guiding principles distinguish between costs not backed by revenue ("transition costs") from true operating costs. If staff activities are not expected until the operational phase, then they should not be reimbursed. Travel in the start-up phase is one such expense.

Transportation: Lease Vehicles (removed)

Providing vehicles for case managers to travel throughout the region or state in order to perform their job.

DFPS perspective: This is considered unique to this CBC catchment area. DFPS does not provide vehicles to current case managers. They use their own vehicles and are reimbursed via the federal mileage rate, which accounts for wear and tear on personal vehicles.

SSCC perspective: This is needed for the case managers to perform their job. Not all staff have vehicles that can accrue the needed mileage, or do not have vehicles that are large enough (to transport, for example, a sibling group and all of their belongings).

Determination: Because staff currently do not lease vehicles, this is not necessarily a cost unique to the transfer of business necessary for Stage II. Additionally, because there is a resource transfer that incorporates staff transportation needs, the SSCC has discretion to use these funds for any transportation needs. If they prefer to spend all or some of that to lease vehicles, then they may do so once in operation and generating revenue from staff performing case management duties, when the resource transfer for Stage II begins.

Outreach and Community Engagement (included)

The SSCC must engage in various efforts to inform and educate the public in their new role of providing case management services. Additionally, the SSCC must recruit and retain a large network of service providers to ensure the needs of all children and families are met in the community. A communications plan and enhanced website are part of outreach.

DFPS perspective: These efforts fall under the NSP and are covered by that transfer.

SSCC perspective: These efforts are necessary in the readiness phase in order to perform the responsibilities of providing case management services to children and families,

Determination: The outreach and engagement efforts required to launch Stage II are decidedly separate from the efforts required in Stage I. The community outreach that is included in the network support payment during Stage I is intended to manage the network of foster care providers. However, the outreach and engagement necessary for Stage II involves engaging and managing a network of service providers and the functional role of case management. This effort is over and above what's required to manage them as foster care providers. There is an initial heightened level of communication that is required to educate and inform community parties, enroll service providers, and develop the website and new communications plan. These are the outreach and community engagement start-up costs the SSCC must assume during the 6-month phase. Following this, the community outreach and engagement costs, which will be lower, will be absorbed in the network support payment for Stage II.

Other Items

For a handful of items in Table 1, we consider their expenses to be assumed by others in the budget. Training and professional development expenses will be assumed by the new staff hired to perform training. Additionally, resources to recruit and onboard new staff ("criminal history checks" and "interview and hiring decisions") are assumed by the compensation of HR staff hired and in place to perform those duties. Finally, the telecommunication monthly service fees are a part of the occupancy and maintenance of the new offices that are included in the final budget

Final Recommendation for Catchment area 3b

We take the items included in the table above and itemize them below with an estimated dollar amount, and an indication of cost type. This budget takes dollar amounts as they are provided by the SSCC in catchment area 3b. To help adjust for the size of the transfer in order to use this as a model for other CBC catchment areas, we divide the total of these items in 3b by their 2017 total care days (501,583). The total start-up budget in this scenario is \$3,611,188.42, or \$7.20 per care day

Table 2. Start-up budget for Catchment area 3b

Start-up phase item	Cost Type	Item Sum	Cost per care day
IT Development and Support			
Software Development (upgrade own system)	Start-up Transfer	\$250,000	0.499
SSCC share of Organization's IT support and office software	Transitional	\$27,204	0.054
Office			
Office supplies	Transitional	\$10,034	0.020
Office Equipment Leases	Transitional	\$56,184.99	0.112
Occupancy and Maintenance (rent, utilities, etc.)	Transitional	\$535,725.75	1.069
Workstations, computers, phones	Transitional	\$544,000	1.085
New Staff			0.000
Compensation/benefits/taxes new hires/satellite staff	Transitional	\$1,572,009.33	3.136
Compensation/benefits/taxes Organization shared staff	Transitional	\$295,477.35	0.589
Network Service Providers			0.000
Outreach & community engagement, website dev., communications	Start-up Transfer	\$64,725	0.129
Insurance			0.000
Retain and expand new insurance contract	Transitional	\$75,828	0.151
IT Infrastructure			0.000
Retain telecommunication service providers for new offices	Start-up Transfer	\$180,000	0.359
TOTAL		\$3,611,188.42	
Care day estimate		\$7.20	7.20

Explanation of adjustments for other catchment areas

Using the total budget in 3b — \$3,611,188.42 — we establish a *per care day* cost for the start-up phase of Stage II at \$7.20. In Table 2, we converted each item in the budget in 3b from a sum to a per care day cost. We then multiply each line item by the number of care days in the catchment area for the budget we are calculating, except for the occupancy and maintenance item. For this item (which includes rent, utilities, and maintenance), we adjusted the underlying cost to reflect property costs specific to each catchment area.

To come with up a local cost for rent and maintenance of the workspace needed for the estimated Stage II staff, we used data from 3b plus price estimate for comparable real estate in each of the other

catchment areas.¹¹ From 3b, we know their budget is \$178,575.25 per month for occupancy and maintenance, which includes a telecommunications budget of \$35,610.75/month (they estimate 3 months of office space needed in the start-up phase, which gets them to the \$535,725.75 sum for the phase). We also know they estimate a need of 250 square feet of office space per FTE. This is a gross amount that includes common areas plus workspace for individuals. We also know from their budget they plan for 323 FTE in Stage II. We use all of this information to estimate the square footage needs for each catchment area.

Knowing the 2017 care days in catchment area 3b was 501,583, we create a care days ratio relative to 3b for each catchment area (Table 3, Column C), and multiply this by the number of employees in catchment area 3b to obtain an estimate for the number of employees needed in a catchment area (column D). We multiply that estimate by the per square foot per FTE estimate needed in 3b (250) to devise a total square foot of office space needed per month in each catchment area (column E).

Table 3. Square foot and employee needs estimates for each catchment area for Stage II

Catchment area	Care Days (2017)	Care days ratio (care days ÷ 501,583)	Estimated Employees (323 x care day ratio)	Square Ft/month needed (employees x 250 sq. ft/employee)
3b	501,583	1.00	323	80,750.00
1	369,593	0.737	238.00	59,500.89
2	239,673	0.478	154.34	38,585.03
3a	278,634	0.556	179.43	44,857.37
3c	519,225	1.035	334.36	83,590.19
4	375,983	0.750	242.12	60,529.62
5	231,051	0.461	148.79	37,196.97
6a	828,672	1.652	533.63	133,408.16
6b	252,995	0.504	162.92	40,729.74
7a	321,958	0.642	207.33	51,832.12
7b	251,820	0.502	162.16	40,540.58
8a	599,788	1.196	386.24	96,560.05
8b	279,101	0.556	179.73	44,932.56
9	154,413	0.308	99.44	24,859.00
10	85,566	0.171	55.10	13,775.30
11a	237,004	0.473	152.62	38,155.35
11b	221,971	0.443	142.94	35,735.18

Using available real estate data, we found an estimated price of a square foot of office space per month for the core metropolitan area in each catchment area.¹² This is based on the number of estimated employees and space needed devised in the previous step (Table 4, column C).¹³ We multiplied the square foot needs found in the previous step by this price to find the monthly Occupancy and Maintenance

¹¹ www.loopnet.com

¹² www.loopnet.com

¹³ The distribution of offices and employees within each region is up to every SSCC's discretion. For this reason, the calculation makes the assumption that the entirety of the SSCC's staff will occupy a single office in the area's metropolitan area.

estimate, minus the telecommunications estimate (Table 4, column D). Finally, we added back the estimated monthly telecommunications fees into the final Occupancy and Maintenance line item. To do so, we take 3b's estimate of needing \$1,323 per FTE per year for telecommunications, and estimated the sum for the year by multiplying each catchment area's FTE by this estimate. This results in an adjusted monthly Occupancy and Maintenance line item estimate for each catchment area (Table 4).¹⁴

Table 4. Establishing an Occupancy and Maintenance Budget per catchment area

Catchment Area	Square Ft/month needed	Cost sq. ft./ month	Occupancy & Maintenance (without telecom)	Monthly Telecom estimate ((employee estimate*1323)/12)	Total Monthly Occupancy and Maintenance Budget
3b	80,750.00	\$1.7705	\$142,964.50	\$35,610.75	\$178,575.25
1	59,500.89	\$1.3308	\$79,185.77	\$26,239.89	\$105,425.66
2	38,585.03	\$1.1667	\$45,015.87	\$17,016.00	\$62,031.87
3a	44,857.37	\$1.8900	\$84,780.43	\$19,782.10	\$104,562.54
3c	83,590.19	\$2.0992	\$175,470.02	\$36,863.27	\$212,333.30
4	60,529.62	\$1.4438	\$87,389.64	\$26,693.56	\$114,083.20
5	37,196.97	\$1.0133	\$37,692.93	\$16,403.86	\$54,096.79
6a	133,408.16	\$1.7577	\$234,492.63	\$58,833.00	\$293,325.63
6b	40,729.74	\$1.9700	\$80,237.59	\$17,961.82	\$98,199.41
7a	51,832.12	\$1.6300	\$84,486.35	\$22,857.96	\$107,344.31
7b	40,540.58	\$2.3600	\$95,675.77	\$17,878.40	\$113,554.16
8a	96,560.05	\$1.8636	\$179,952.86	\$42,582.98	\$222,535.84
8b	44,932.56	\$1.9300	\$86,719.83	\$19,815.26	\$106,535.09
9	24,859.00	\$2.0104	\$49,976.94	\$10,962.82	\$60,939.76
10	13,775.30	\$1.5308	\$21,086.73	\$6,074.91	\$27,161.64
11a	38,155.35	\$1.5400	\$58,759.23	\$16,826.51	\$75,585.74
11b	35,735.18	\$1.2926	\$46,192.19	\$15,759.21	\$61,951.40

We are now able to produce a final start-up estimate for these areas. We take the per care day estimate for each line item and multiply by each catchment area's 2017 care days, provided in Table 3, except for Occupancy and Maintenance. For the Occupancy and Maintenance item, we use the final estimate provided in table 4 and multiply by 3, as 3b estimates needing offices set up for 3 months during the start-up phase prior to stage II operations. Tables 5-20 itemize the Stage II start-up phase budgets for catchment areas 1-11b, respectively.

¹⁴ We know this is an estimate and makes 3 assumptions: 1) all employees will be housed in the core metropolitan area, 2) the rent and utilities each SSCC secures will mirror the rates in the data used, and 3) the telecommunication rates per employee will be identical to catchment area 3b.

Stage II Start-up phase estimate for CBC Catchment areas

Table 5. Stage II start-up budget for Texas DFPS catchment area 1

Start-up phase item	Item cost per care day	Catchment area 1 Item Sum (item cost x 369,593)
IT Development and Support		
Software Development (upgrade own system)	0.499	\$184,298.89
SSCC share of Organization's IT support and office software	0.054	\$20,054.67
Office		
Office supplies	0.020	\$7,397.02
Office Equipment Leases	0.112	\$41,419.33
Occupancy and Maintenance (rent, utilities, etc.)	\$105,425.66 x 3	\$316,276.98
Workstations, computers, phones	1.085	\$401,034.39
New Staff		
Compensation/benefits/taxes new hires/satellite staff	3.136	\$1,158,878.32
Compensation/benefits/taxes Organization shared staff	0.589	\$217,824.59
Network Service Providers		
Outreach and Community engagement, website development, communications plan	0.129	\$47,714.98
Insurance		
Retain and expand new insurance contract	0.151	\$55,900.07
IT Infrastructure		
Retain telecommunication service providers for new offices	0.359	\$132,695.20
TOTAL		\$2,583,494.44

Table 6. Stage II start-up budget for Texas DFPS catchment area 2

Start-up phase item	Item cost per care day	Catchment area 2 Item Sum (item cost x 239,673)
IT Development and Support		
Software Development (upgrade own system)	0.499	\$119,513.81
SSCC share of Organization's IT support and office software	0.054	\$13,005.02
Office		
Office supplies	0.020	\$4,796.81
Office Equipment Leases	0.112	\$26,859.53
Occupancy and Maintenance (rent, utilities, etc.)	\$62,031.87 x 3	\$186,095.61
Workstations, computers, phones	1.085	\$260,062.06
New Staff		
Compensation/benefits/taxes new hires/satellite staff	3.136	\$751,507.31
Compensation/benefits/taxes Organization shared staff	0.589	\$141,254.50
Network Service Providers		
Outreach and Community engagement, website development, communications plan	0.129	\$30,942.13
Insurance		
Retain and expand new insurance contract	0.151	\$36,249.97
IT Infrastructure		
Retain telecommunication service providers for new offices	0.359	\$86,049.95
TOTAL		\$1,656,336.69

Table 7. Stage II start-up budget for Texas DFPS catchment area 3a

Start-up phase item	Item cost per care day	Catchment area 3a Item Sum (item cost x 278,634)
IT Development and Support		
Software Development (upgrade own system)	0.499	\$138,941.86
SSCC share of Organization's IT support and office software	0.054	\$15,119.10
Office		
Office supplies	0.020	\$5,576.57
Office Equipment Leases	0.112	\$31,225.79
Occupancy and Maintenance (rent, utilities, etc.)	\$104,562.54 x 3	\$313,687.62
Workstations, computers, phones	1.085	\$302,337.48
New Staff		
Compensation/benefits/taxes new hires/satellite staff	3.136	\$873,671.58
Compensation/benefits/taxes Organization shared staff	0.589	\$164,216.69
Network Service Providers		
Outreach and Community engagement, website development, communications plan	0.129	\$35,972.05
Insurance		
Retain and expand new insurance contract	0.151	\$42,142.73
IT Infrastructure		
Retain telecommunication service providers for new offices	0.359	\$100,038.14
TOTAL		\$2,022,929.60

Table 8. Stage II start-up budget for Texas DFPS catchment area 3c

Start-up phase item	Item cost per care day	Catchment area 3c Item Sum (item cost x 519,225)
IT Development and Support		
Software Development (upgrade own system)	0.499	\$258,913.43
SSCC share of Organization's IT support and office software	0.054	\$28,173.92
Office		
Office supplies	0.020	\$10,391.75
Office Equipment Leases	0.112	\$58,188.19
Occupancy and Maintenance (rent, utilities, etc.)	\$212,333.30 x 3	\$636,999.90
Workstations, computers, phones	1.085	\$563,395.63
New Staff		
Compensation/benefits/taxes new hires/satellite staff	3.136	\$1,628,057.33
Compensation/benefits/taxes Organization shared staff	0.589	\$306,012.22
Network Service Providers		
Outreach and Community engagement, website development, communications plan	0.129	\$67,032.69
Insurance		
Retain and expand new insurance contract	0.151	\$78,531.55
IT Infrastructure		
Retain telecommunication service providers for new offices	0.359	\$186,417.67
TOTAL		\$3,822,114.30

Table 9. Stage II start-up budget for Texas DFPS catchment area 4

Start-up phase item	Item cost per care day	Catchment area 4 Item Sum (item cost x 375,983)
IT Development and Support		
Software Development (upgrade own system)	0.499	\$187,485.29
SSCC share of Organization's IT support and office software	0.054	\$20,401.40
Office		
Office supplies	0.020	\$7,524.91
Office Equipment Leases	0.112	\$42,135.44
Occupancy and Maintenance (rent, utilities, etc.)	\$114,083.20 x 3	\$342,249.60
Workstations, computers, phones	1.085	\$407,967.99
New Staff		
Compensation/benefits/taxes new hires/satellite staff	3.136	\$1,178,914.50
Compensation/benefits/taxes Organization shared staff	0.589	\$221,590.63
Network Service Providers		
Outreach and Community engagement, website development, communications plan	0.129	\$48,539.94
Insurance		
Retain and expand new insurance contract	0.151	\$56,866.54
IT Infrastructure		
Retain telecommunication service providers for new offices	0.359	\$134,989.41
TOTAL		\$2,648,665.64

Table 10. Stage II start-up budget for Texas DFPS catchment area 5

Start-up phase item	Item cost per care day	Catchment area 5 Item Sum (item cost x 231,051)
IT Development and Support		
Software Development (upgrade own system)	0.499	\$115,214.42
SSCC share of Organization's IT support and office software	0.054	\$12,537.17
Office		
Office supplies	0.020	\$4,624.25
Office Equipment Leases	0.112	\$25,893.28
Occupancy and Maintenance (rent, utilities, etc.)	\$54,096.79 x 3	\$162,290.37
Workstations, computers, phones	1.085	\$250,706.58
New Staff		
Compensation/benefits/taxes new hires/satellite staff	3.136	\$724,472.58
Compensation/benefits/taxes Organization shared staff	0.589	\$136,173.01
Network Service Providers		
Outreach and Community engagement, website development, communications plan	0.129	\$29,829.01
Insurance		
Retain and expand new insurance contract	0.151	\$34,945.92
IT Infrastructure		
Retain telecommunication service providers for new offices	0.359	\$82,954.38
TOTAL		\$1,579,640.97

Table 11. Stage II start-up budget for Texas DFPS catchment area 6a

Start-up phase item	Item cost per care day	Catchment area 6a Item Sum (item cost x 828,672)
IT Development and Support		
Software Development (upgrade own system)	0.499	\$413,220.31
SSCC share of Organization's IT support and office software	0.054	\$44,964.98
Office		
Office supplies	0.020	\$16,585.01
Office Equipment Leases	0.112	\$92,867.11
Occupancy and Maintenance (rent, utilities, etc.)	\$293,325.63 x 3	\$879,976.89
Workstations, computers, phones	1.085	\$899,167.38
New Staff		
Compensation/benefits/taxes new hires/satellite staff	3.136	\$2,598,344.70
Compensation/benefits/taxes Organization shared staff	0.589	\$488,388.96
Network Service Providers		
Outreach and Community engagement, website development, communications plan	0.129	\$106,982.74
Insurance		
Retain and expand new insurance contract	0.151	\$125,334.68
IT Infrastructure		
Retain telecommunication service providers for new offices	0.359	\$297,518.62
TOTAL		\$5,963,351.38

Table 12. Stage II start-up budget for Texas DFPS catchment area 6b

Start-up phase item	Item cost per care day	Catchment area 6b Item Sum (item cost x 252,995)
IT Development and Support		
Software Development (upgrade own system)	0.499	\$126,156.88
SSCC share of Organization's IT support and office software	0.054	\$13,727.89
Office		
Office supplies	0.020	\$5,063.43
Office Equipment Leases	0.112	\$28,352.49
Occupancy and Maintenance (rent, utilities, etc.)	\$98,199.41 x 3	\$294,598.23
Workstations, computers, phones	1.085	\$274,517.36
New Staff		
Compensation/benefits/taxes new hires/satellite staff	3.136	\$793,279.15
Compensation/benefits/taxes Organization shared staff	0.589	\$149,106.00
Network Service Providers		
Outreach and Community engagement, website development, communications plan	0.129	\$32,662.02
Insurance		
Retain and expand new insurance contract	0.151	\$38,264.89
IT Infrastructure		
Retain telecommunication service providers for new offices	0.359	\$90,832.95
TOTAL		\$1,846,561.29

Table 13. Stage II start-up budget for Texas DFPS catchment area 7a

Start-up phase item	Item cost per care day	Catchment area 7a Item Sum (item cost x 321,958)
IT Development and Support		
Software Development (upgrade own system)	0.499	\$160,545.53
SSCC share of Organization's IT support and office software	0.054	\$17,469.92
Office		
Office supplies	0.020	\$6,443.66
Office Equipment Leases	0.112	\$36,081.00
Occupancy and Maintenance (rent, utilities, etc.)	\$107,344.31 x 3	\$322,032.93
Workstations, computers, phones	1.085	\$349,347.07
New Staff		
Compensation/benefits/taxes new hires/satellite staff	3.136	\$1,009,516.27
Compensation/benefits/taxes Organization shared staff	0.589	\$189,750.27
Network Service Providers		
Outreach and Community engagement, website development, communications plan	0.129	\$41,565.24
Insurance		
Retain and expand new insurance contract	0.151	\$48,695.38
IT Infrastructure		
Retain telecommunication service providers for new offices	0.359	\$115,592.78
TOTAL		\$2,297,040.03

Table 14. Stage II start-up budget for Texas DFPS catchment area 7b

Start-up phase item	Item cost per care day	Catchment area 7b Item Sum (item cost x 251,820)
IT Development and Support		
Software Development (upgrade own system)	0.499	\$125,570.96
SSCC share of Organization's IT support and office software	0.054	\$13,664.13
Office		
Office supplies	0.020	\$5,039.92
Office Equipment Leases	0.112	\$28,220.81
Occupancy and Maintenance (rent, utilities, etc.)	\$113,554.16 x 3	\$340,662.48
Workstations, computers, phones	1.085	\$273,242.41
New Staff		
Compensation/benefits/taxes new hires/satellite staff	3.136	\$789,594.87
Compensation/benefits/taxes Organization shared staff	0.589	\$148,413.50
Network Service Providers		
Outreach and Community engagement, website development, communications plan	0.129	\$32,510.32
Insurance		
Retain and expand new insurance contract	0.151	\$38,087.18
IT Infrastructure		
Retain telecommunication service providers for new offices	0.359	\$90,411.09
TOTAL		\$1,885,417.66

Table 15. Stage II start-up budget for Texas DFPS catchment area 8a

Start-up phase item	Item cost per care day	Catchment area 8a Item Sum (item cost x 599,788)
IT Development and Support		
Software Development (upgrade own system)	0.499	\$299,086.47
SSCC share of Organization's IT support and office software	0.054	\$32,545.39
Office		
Office supplies	0.020	\$12,004.13
Office Equipment Leases	0.112	\$67,216.68
Occupancy and Maintenance (rent, utilities, etc.)	222,535.84 x 3	\$667,607.52
Workstations, computers, phones	1.085	\$650,812.15
New Staff		
Compensation/benefits/taxes new hires/satellite staff	3.136	\$1,880,666.86
Compensation/benefits/taxes Organization shared staff	0.589	\$353,493.11
Network Service Providers		
Outreach and Community engagement, website development, communications plan	0.129	\$77,433.49
Insurance		
Retain and expand new insurance contract	0.151	\$90,716.51
IT Infrastructure		
Retain telecommunication service providers for new offices	0.359	\$215,342.26
TOTAL		\$4,346,924.57

Table 16. Stage II start-up budget for Texas DFPS catchment area 8b

Start-up phase item	Item cost per care day	Catchment area 8b Item Sum (item cost x 279,101)
IT Development and Support		
Software Development (upgrade own system)	0.499	\$139,174.73
SSCC share of Organization's IT support and office software	0.054	\$15,144.44
Office		
Office supplies	0.020	\$5,585.92
Office Equipment Leases	0.112	\$31,278.12
Occupancy and Maintenance (rent, utilities, etc.)	\$106,535.09 x 3	\$319,605.27
Workstations, computers, phones	1.085	\$302,844.21
New Staff		
Compensation/benefits/taxes new hires/satellite staff	3.136	\$875,135.89
Compensation/benefits/taxes Organization shared staff	0.589	\$164,491.92
Network Service Providers		
Outreach and Community engagement, website development, communications plan	0.129	\$36,032.34
Insurance		
Retain and expand new insurance contract	0.151	\$42,213.37
IT Infrastructure		
Retain telecommunication service providers for new offices	0.359	\$100,205.80
TOTAL		\$2,031,712.00

Table 17. Stage II start-up budget for Texas DFPS catchment area 9

Start-up phase item	Item cost per care day	Catchment area 9 Item Sum (item cost x 154,413)
IT Development and Support		
Software Development (upgrade own system)	0.499	\$76,998.60
SSCC share of Organization's IT support and office software	0.054	\$8,378.68
Office		
Office supplies	0.020	\$3,090.42
Office Equipment Leases	0.112	\$17,304.66
Occupancy and Maintenance (rent, utilities, etc.)	\$60,939.76 x 3	\$182,819.28
Workstations, computers, phones	1.085	\$167,548.96
New Staff		
Compensation/benefits/taxes new hires/satellite staff	3.136	\$484,170.09
Compensation/benefits/taxes Organization shared staff	0.589	\$91,005.37
Network Service Providers		
Outreach and Community engagement, website development, communications plan	0.129	\$19,934.94
Insurance		
Retain and expand new insurance contract	0.151	\$23,354.60
IT Infrastructure		
Retain telecommunication service providers for new offices	0.359	\$55,438.99
TOTAL		\$1,130,044.61

Table 18. Stage II start-up budget for Texas DFPS catchment area 10

Start-up phase item	Item cost per care day	Catchment area 10 Item Sum (item cost x 85,566)
IT Development and Support		
Software Development (upgrade own system)	0.499	\$42,667.80
SSCC share of Organization's IT support and office software	0.054	\$4,642.94
Office		
Office supplies	0.020	\$1,712.51
Office Equipment Leases	0.112	\$9,589.16
Occupancy and Maintenance (rent, utilities, etc.)	\$27,161.64 x 3	\$81,484.92
Workstations, computers, phones	1.085	\$92,845.13
New Staff		
Compensation/benefits/taxes new hires/satellite staff	3.136	\$268,296.70
Compensation/benefits/taxes Organization shared staff	0.589	\$50,429.47
Network Service Providers		
Outreach and Community engagement, website development, communications plan	0.129	\$11,046.69
Insurance		
Retain and expand new insurance contract	0.151	\$12,941.65
IT Infrastructure		
Retain telecommunication service providers for new offices	0.359	\$30,720.81
TOTAL		\$606,377.79

Table 19. Stage II start-up budget for Texas DFPS catchment area 11a

Start-up phase item	Item cost per care day	Catchment area 11a Item Sum (item cost x 237,004)
IT Development and Support		
Software Development (upgrade own system)	0.499	\$118,182.91
SSCC share of Organization's IT support and office software	0.054	\$12,860.19
Office		
Office supplies	0.020	\$4,743.39
Office Equipment Leases	0.112	\$26,560.42
Occupancy and Maintenance (rent, utilities, etc.)	\$75,585.74 x 3	\$226,757.22
Workstations, computers, phones	1.085	\$257,166.00
New Staff		
Compensation/benefits/taxes new hires/satellite staff	3.136	\$743,138.52
Compensation/benefits/taxes Organization shared staff	0.589	\$139,681.49
Network Service Providers		
Outreach and Community engagement, website development, communications plan	0.129	\$30,597.55
Insurance		
Retain and expand new insurance contract	0.151	\$35,846.29
IT Infrastructure		
Retain telecommunication service providers for new offices	0.359	\$85,091.69
TOTAL		\$1,680,625.68

Table 20. Stage II start-up budget for Texas DFPS catchment area 11b

Start-up phase item	Item cost per care day	Catchment area 11b Item Sum (item cost x 221,971)
IT Development and Support		
Software Development (upgrade own system)	0.499	\$110,686.65
SSCC share of Organization's IT support and office software	0.054	\$12,044.48
Office		
Office supplies	0.020	\$4,442.52
Office Equipment Leases	0.112	\$24,875.71
Occupancy and Maintenance (rent, utilities, etc.)	\$61,951.40 x 3	\$185,854.20
Workstations, computers, phones	1.085	\$240,854.14
New Staff		
Compensation/benefits/taxes new hires/satellite staff	3.136	\$696,001.76
Compensation/benefits/taxes Organization shared staff	0.589	\$130,821.59
Network Service Providers		
Outreach and Community engagement, website development, communications plan	0.129	\$28,656.77
Insurance		
Retain and expand new insurance contract	0.151	\$33,572.59
IT Infrastructure		
Retain telecommunication service providers for new offices	0.359	\$79,694.39
TOTAL		\$1,547,504.79