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

House Committee on Human Services
September 17, 2012

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

Presentation includes:

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

- 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.
• House Bill 1, Rider 25, 82nd(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, 82nd(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.
### Tentative Awards

<table>
<thead>
<tr>
<th>Metropolitan Catchment Area</th>
<th>Lutheran Social Services of the South</th>
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<tbody>
<tr>
<td>Region 11 (Corpus Christi/ Rio Grande Valley Area)</td>
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(Note: withdrawn August 9)

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<tr>
<th>Non-Metropolitan Catchment Area</th>
<th>Providence Service Corporation of Texas</th>
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<tbody>
<tr>
<td>Regions 2/9 (Midland-Wichita Falls)</td>
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Foster Care Redesign - Procurement

• Metropolitan Area SCC
  – DFPS has withdrawn the tentative award made to Lutheran Social Services of the South in Region 11.
  – No award will be made to a SCC for services in the metropolitan area during this initial procurement.
  – DFPS plans to procure for a SCC serving the metropolitan area in the future.

• Non-Metropolitan Area SCC
  – 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

• 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
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
Overview of the Fiscal Years 2014-2015 Agency Legislative Appropriations Request
# FY 14-15 Summary Request

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

- 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)
Agency Top Exceptional Items

• 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

- 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

Total GR reduction $74.6 million