

Texas Budget Priorities that will Keep Children Safe and Families Together

Testimony to the House Appropriations Subcommittee on Article II – HB 1 (DFPS)

The Legislature must meet growing challenges in Texas' child protection system with decisive action and investments. We offer four recommendations for the Subcommittee's consideration as it shapes the budget for the Department of Family and Protective Services (DFPS). First, now is the time for the Legislature to invest in child abuse prevention and services that will keep more children safely with their families and out of foster care (Recommendations 1 and 2). Second, the Committee should increase support for extended family or close family friends who step up to support a child in their lives while the child's parents are struggling, so the child is not placed with strangers in foster care (Recommendation 3). Finally, the Committee should adopt the agency's Foster Care Rate Modernization proposal to enhance the safety and quality of foster homes and facilities to help children heal and thrive (Recommendation 4).

SB 1 Provides No Additional Funding to Keep Texas Children with their Families and Safely Out of Foster Care

Polling shows the vast majority (81 percent) of Texans across the political spectrum support increased funding for services that prevent child neglect. And these Texans believe state leaders should draw down federal matching funds to expand access to services that support and preserve families needing mental health or substance use services to avoid foster care.¹

Data show that Texas families do not have access to mental health or substance use services that prevent crises that often lead to a child entering foster care. In recent years, two-thirds of Texas children who entered foster care did so for reasons related to a caregiver's drug or alcohol use.² While only a small number of children enter care because of their own unaddressed mental health challenges, 35 percent of children without placement enter care for this reason.³

Recommendation 1: Support the DFPS \$90.2 million Exceptional Item request to increase funding for Prevention and Community Well-being (PCW) programs

In the current DFPS budget, less than 5 percent is spent on prevention, while 84 percent is spent on Child Protective Services (CPS). Unfortunately, this trend has held steady for several years. PCW programs are designed

– and proven – to prevent child maltreatment and support positive youth development. PCW contracts with effective community-based programs to support pregnant and parenting youth in foster care, keep youth safe at home and out of the juvenile justice system and help families with infants and toddlers who want additional support. **Unfortunately, the House’s base budget excluded DFPS’ Exceptional Item request.** The Legislature should invest in these critical prevention programs to support Texas families and keep more children safely at home.

Recommendation 2: Leverage the Family First Prevention Services Act (FFPSA) to draw down federal funds to support ongoing or new family preservation efforts

FFPSA implementation is a key strategy to connect children at imminent risk of entering foster care and their caregivers to highly effective, evidence-based family preservation services. Under FFPSA, certain evidence-based programs or services that are proven to reduce entry into foster care — by supporting mental health, reducing drug or alcohol use, and strengthening parenting — are eligible for a 50 percent federal match.

To leverage FFPSA and draw down federal funds to support family preservation services, lawmakers should include the following in the state budget:

- 1. Direct DFPS to submit a plan to the federal government (known as a Title IV-E Prevention Plan),** the first needed step so Texas may receive federal matching funds for evidence-based family preservation services.
- 2. Invest state funds in evidence-based family preservation services – including mental health, substance use, and parent skill-building services – that are eligible for federal matching funds.** Investing state funds in family preservation services listed on Title IV-E Prevention Services Clearinghouse is a key step to qualify for federal matching funds. Currently, by missing the federal match opportunity, Texas is missing a chance to expand the reach of programs designed to keep more families safely together by supporting mental health, reducing substance use, and strengthening parenting.
- 3. Expand Texas’ state-set criteria to receive federal matching funds for family preservation services delivered to children or families at imminent risk of foster care.** Currently, the Texas-set criteria to receive federal matching funds for family preservation services drastically narrows the services eligible for a federal match under FFPSA. However, if the state expands its criteria for receiving federal matching funds – and invests state funds in evidence-based family preservation services – Texas could draw down significant federal matching funds. The additional funding boost would allow Texas to stand up new service providers or expand the capacity of existing service providers. The SB 910 Report recommends increasing flexibility to draw down federal funding for more family preservation services.⁴ And the House Human Services Committee’s interim report recommended expanding criteria that determine which children and families may receive services eligible for a federal match under FFPSA.⁵

4. **Direct DFPS to use unexpended federal Family First Transition Act (FFTA) funds¹ to apply two strategies that other states have used to guide FFPSA implementation and leverage federal matching funds.** First, funds would allow the state to create an **asset map** to establish a complete, cross-system picture of family preservation services available to Texas children and families. Asset mapping will help leaders continue to build on existing strengths in communities across Texas. Second, funds would allow the state to explore a **cost-reimbursement model**, called the “Community Pathways” approach,¹⁰ which values the existing relationships between local organizations and the families they serve. This approach would allow families at risk of any CPS involvement to receive help quickly from local organizations offering family preservation services without requiring a CPS investigation that exposes them to the threat of being separated and having their child placed in foster care.

The House Should Further Increase Funding to Promote the Safety and Well-being of Children in Foster Care

Recommendation 3: Support DFPS’ Exceptional Item request of \$6.9 million to support “kinship caregivers” such as grandparents, aunts, and uncles — and further increase funding for kinship caregivers

We are grateful that the House’s base budget adjusted for the mid-biennium increase in relative caregiver monetary assistance to better support extended family and close family friends (i.e., kinship caregivers) who care for a child in the state’s conservatorship. However, this adjustment did not capture the DFPS Legislative Appropriations Request (LAR) Exceptional Item request for \$6.9 million to recruit and support kinship placements. Although we appreciate and support DFPS’ requested increase, even it is insufficient.

Kinship care promotes child safety and well-being and keeps kids connected to their families when it may not be safe to stay with their mom or dad. Children placed with kin are more likely to have better outcomes than other children in foster care.⁶ For example, they are more likely to reunify with their families and less likely to experience trauma.

The Legislature should acknowledge the true value of kinship care by investing in pay parity. Currently, Texas statute only allows kinship caregivers under 300 percent of the federal poverty level to receive up to half the daily basic foster care rate for up to one year. Under the statutory framework, kinship caregivers — who often have fewer financial resources than Texans who voluntarily become foster parents — may not have enough money to cover the countless expenses associated with taking care of children. As a result, many potential kinship care providers cannot afford to take in children, so kids are placed with strangers instead of family members.

¹ In 2019, Texas received \$50 million through the Family First Transition Act (FFTA) to help implement FFPSA across Texas. Last session, the Legislature appropriated the remaining \$34 million in FFTA funds through DFPS Rider 48 to pursue this goal. DFPS was unable to spend a significant portion of that funding over the biennium.

Recommendation 4: Incorporate Foster Care Rate Modernization into the budget after DFPS updates its LAR

The DFPS LAR includes an important placeholder for Foster Care Rate Modernization. The proposal to improve the foster care rate methodology, still being finalized, is essential to strengthening foster care services. Foster Care Rate Modernization has many significant benefits. First, rather than paying a set amount based on a level of care assigned by a third party who has never met the child, Foster Care Rate Modernization moves Texas to a payment system that covers specific services for unique child needs through rate add-ons. Second, children will remain more stable in care because they will not be forced to move when their level changes, and the foster care provider they are living with is not licensed to serve children at their new level. Finally, Texas will pay for practices that improve the quality of care, such as aftercare services following residential treatment, which decrease readmissions to residential treatment, improve home stability, and promote success in school.

Endnotes

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