House Appropriations Committee
88th Legislative Session

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Community Organizations are Fundamental to Texas Child Welfare

- Texas relies on mission-driven, community organizations across Texas to serve and care for children youth and families – across the full continuum
- Child welfare is an array of direct services and supports

- Prevention and Family Preservation
- Foster and Adoptive Families
- Intensive Residential Treatment
- Mental Healthcare
- Kinship support
- Post-Permanency and Post-Adoption Supports
- Transitional and Independent Living
- Child Sex Trafficking Recovery
The Texas child welfare landscape is changing

- 22% of investigations in 2022 were substantiated with a reason to believe, compared to 28% in 2020
- 5% of all cases were opened to family-based safety services in 2022, compared to 13% in 2020
- 3% led to a removal in 2022, 5% led to a removal in 2020

State and federal policy increasingly focused on keeping children out of foster care, providing stability to families at home

More investment and policy focus needed on getting families in crisis services
System Snapshot:
Texas' capacity building efforts are working, but more work to be done to shift capacity to meet the need.

- Historic numbers of children without placement (CWOP) in 2021 put into motion capacity building efforts
- Capacity building is more than beds:
  - Skilled workforce and caregivers
  - Treatment services
  - Crisis intervention
  - Supervision and coaching
  - Continuous quality improvement
- Legacy CWOP declined and steady, no CBC CWOP so far in 2023
- Next steps: Stabilizing children in all settings, levels of care
  - Focus on healing trauma and stability in placements
  - Improving outcomes like placement with kin, time to permanency
Other System Drivers

• Rising cost of care
  • Inflation, operational requirements
  • Insurance – more than half of survey respondents report increase of more than 70% in cost and a loss of coverage options

• More or different resources needed to respond to changing oversight and regulatory environment

• Workforce challenges
  • Increased salaries, market competition
  • Work requires dedicated, skilled staff
87th Budget and Child Welfare Accomplishments

• Continued community-based prevention programs
• Piloted new family preservation pilots in 4 regions
• Continued investment in Community Based Care
  • Four regions continued operations
  • Four new regions funded, three in procurement in North and East TX
• Progressing foster care rate methodology
• Capacity Building Funding
  • *Sustain:* $70m supplemental "add-on" for rates – higher levels of care
  • *Build:* $20m capacity building grants – statewide
  • *Build:* $34m capacity building grants - CBC
A strong start for kids and families in HB 1

Thank you!

- HB 1 adds $100 million biennium for foster payment rate increases and signals support for Rate Methodology Modernization.
- HB 1 also continues implementation and expansion of Community Based Care in four new regions, as well as support for current regions and those under procurement.
  - At the end of FY 25 – 11 out of 16 catchment areas in CBC.
- HB 1 adds funding for children's mental health programs and innovation.
The DFPS LAR reinforces quality services and needed infrastructure.

- Strengthen Prevention & Early Intervention Programs
- Expand and Support Community-based Care
  - Interoperability, salary increases, lawsuit compliance, Office of CBC Transition
- Grow post-permanency supports to serve more families after a child experiences foster care and to prevent further system involvement
- Continue support for Kinship Caregivers through concrete funds, licensure cost reimbursement, and enhanced PCA payments
Recommendation: A comprehensive approach to foster care rates. Prioritize outcomes and provide stability to the system.

- Broadly support stabilizing foster care through $100 million rate increase in HB 1
- Continue supplemental "add-on" capacity rates as requested in DFPS LAR
- Support HB 1 rider for updated foster care rate methodology
**Recommendation:** Capacity building funding is working and should be continued.

- **Continue the flexible funding by the 87th Legislature:**
  - $34m CBC, $20m in grants to legacy regions, additional $25.5m for new CBC areas

- CBC capacity building funding evaluation found:
  - Few to little kids in unlicensed care (CWOP)
  - Decreased number of youth out of state or in shelters
  - Targeted recruitment of foster families
  - Increased development of kinship care
  - Improved competencies of CBC supervisors

- Statewide capacity building for treatment foster care, treatment kinship care, QRTP and more
Recommendation: Fund critical mental health services for children and their families.

- Support increased funding for RTC Project (foster care diversion) at HHSC, keeping youth with their families.
- Improved support of Medicaid credentialed providers serving children and youth in communities.
- Support growth of other mental health programs that serve children and families.
**Recommendation:** Build on efforts to support families across the continuum.

- SB 1896 (Kolkhorst) provisional licensure in development, more needed to support improved path for kin
  - Verified kinship caregivers have more support and receive the full foster care rate
  - Serve higher needs kids with more therapeutic supports
  - Maximizes federal funding
  - Families are eligible for Permanency Care Assistance (West)
- Expand evidence-based family preservation services statewide with unexpended FFTA funding, will advance SB 910 (Schwertner) & SB 1896 (Kolkhorst) from the 87th Legislature
- Continue HB 3041 (Frank) family preservation pilots
Thank you!

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