DFPS Publishes Budget Request for Upcoming Legislative Session

The Texas Department Family Protective Services submitted its Legislative Appropriations Request at 626 pages long and while it is encouraging to see requests for several important programs, the requisitions will be considered alongside the state's broader budget outlook and other significant priorities, including public education and property tax relief.

TACFS will continue working closely with agency and legislative leaders to emphasize the importance of funding critical services for children and families. We'll keep members updated as the budget picture becomes clearer.

DFPS's Fiscal Year 2026-27 estimated base expenditures total $5.5 billion in All Funds ($3.8 billion in General Revenue). DFPS anticipates an increase to the projected need in Foster Care entitlement program due to a faster transition to the Texas Child Centered Care (T3C) model.

The baseline request for FY 2028-29 totals $5.5 billion in All Funds ($3.8 billion in state funds). This request represents a net increase of $204.1 million in All Funds and a net increase of $87.9 million in state funds. The overall increase is driven by the increased needs in entitlement programs that incorporates the full implementation of T3C.

DFPS was directed (along with all other state agencies) by State Leaders to reduce their base appropriations request by three percent. DFPS met the required three percent General Revenue reduction target by eliminating funding tied to the implementation of projects, reducing vacant positions, realigning staffing due to Community-Based Care implementation, technology and contract savings, and the elimination of a pilot program for family preservation services.

- Eliminate Provider Transition grants post successful implementation of Texas Child Centered Care (T3C)
- Eliminate Project Management Office post successful implementation of T3C
- Reduce HHSC Assessment IAC funding from cost savings
- Reduce Foster Care Lawsuit Monitoring costs in line with projected billing
- Eliminate dedicated staff post successful establishment of Terrell Center for Youth
- Reduce vacant Special Investigations FTEs to align with projected need
- Reduction from realized savings from converting contracted IT positions to FTEs
- Eliminate SSCC Interoperability funding due to transition to New Case Management System
- Reduce regional Foster and Adopt Staff Units to align with Community Based Care model
- Reduce agency's specialized support FTEs to align with Community Based Care model
- Reduce DFPS services to support critical infrastructure
- Reduce agency's residential placement staff resulting from transition to Community Based Care
- Eliminate Pilot Program for Family Preservation Services (Texas Family First program)

After DFPS submits its base request for finding, it also requests a number of exceptional items to support and expand programs:

DFPS has requested funding for exceptional items that total $461,633,928 General Revenue and $534,861,509 All Funds, and additional staffing requests totaling 293.5 FTEs in Fiscal Year 2028 and 297.0 FTEs in Fiscal Year 2029. The exceptional items are detailed below:

Ensure Continuity of High-Quality Client Services and Workforce

- $32,278,315 General Revenue/$32,518,151 All Funds and 7 FTEs to restore and expand (rather than cut) the pilot program for family preservation.
- $4,480,304 General Revenue/$4,799,080 All Funds 28 FTEs to restore critical direct delivery and support areas.
- $8,229,972 General Revenue/$8,229,972 All Funds to sustain payments for Relative and Other Designated Caregivers.
- FTE Authority for 72 FTEs related to IT Staff Augmentation Contractors and APS forensic investigation.

Foster Meaningful Family Partnerships to Improve Outcomes

- $2,831,856 General Revenue/$2,831,856 All Funds to ensure access to post-permanency services for kinship families with permanent managing conservatorship.
- $2,507,081 General Revenue/$2,679,609 All Funds to strengthen family engagement through Family Group Decision Making.
- $2,575,521 General Revenue/$2,732,561 All Funds to drive better outcomes for families through quality assurance practices.

Enhance Due Process and Expand Risk Assessments to Prevent Barriers to Employment

- $16,599,545 General Revenue/$16,890,462 All Funds and 12 FTEs to expand access to due process for individuals in family investigations.
- $3,676,654 General Revenue/$4,835,095 All Funds and 10 FTEs to establish a path to exit the Central Registry.
- $1,169,542 General Revenue/$1,452,581 All Funds and 4 FTEs to expand the background check assessment.
- $6,758,561 General Revenue/$7,170,663 All Funds to maintain workloads for records management operations.

Promote Workforce Retention, Address Safety, and Provide Necessary Tools

- $28,688,297 General Revenue/$30,680,787 All Funds to attract and retain a strong workforce through competitive compensation.
- $3,822,275 General Revenue/$4,055,328 All Funds and 10 FTEs to advance staff safety and wellness.
- $3,356,425 General Revenue/$3,593,169 All Funds and 12 FTEs to support post new hire skills training.
- $1,859,230 General Revenue/$1,876,187 All Funds and 8 FTEs to build sustainable workforce management capacity for Statewide Intake.
- $23,342,186 General Revenue/$51,366,294 All Funds and 10.5 FTEs in FY28/10 FTEs in FY29 to continue the development of a new case management system and enhance the Central Registry technology system.
- $17,444,696 General Revenue/$18,993,278 All Funds to modernize DFPS's travel platform and increase travel reimbursement rates.
- $19,941,970 General Revenue/$21,157,907 All Funds and 1 FTE to strengthen cybersecurity, data protection, and artificial intelligence risk management for DFPS, and to ensure compliance with state and federal accessibility requirements.

Sustain Continuity and Expand Community-based Care (CBC)

- $118,095,619 General Revenue/$138,097,354 All Funds to sustain and annualize funding for existing CBC areas.
- $105,451,780 General Revenue/$118,253,711 All Funds and 29 FTEs to expand CBC into four Stage IIs and expand the behavioral health initiative.
- $21,084,838 General Revenue/$24,121,995 All Funds to support reprocurement for CBC Regions 1 and 2.

Strengthen Support for Young Adults Exiting Foster Care

- $8,643,633 General Revenue/$9,531,359 All Funds and 1 FTE to support the conservation of survivor benefits for youth in care.
- $6,752,200 General Revenue/$6,752,200 All Funds to provide contracted support services for the Foster Youth to Independence (FYI) Voucher program.
- $11,801,491 General Revenue/$11,887,126 All Funds and 48 FTEs in FY28/52 FTEs in FY29 to improve client outcomes through maintaining APS caseloads.
- $10,241,937 General Revenue/$10,354,784 All Funds and 41 FTEs to strengthen existing infrastructure to mitigate increasing caseloads for APS.

DFPS is working to provide additional information to inform funding decisions prior to the start of the 90th Legislature:

Rural CBC Pilot Implementation

Senate Bill 513 (89R) directed DFPS to procure a lead entity to develop a pilot program model to implement community-based care in rural regions of the state. The bill included direction for a written report of the pilot program model to be supplied to the legislature by January 1, 2027, and language regarding the implementation of the pilot program should the legislature approve the model. DFPS was appropriated funding for the purpose of procuring a lead entity for the development of this model, but implementing the model was not funded. DFPS requests funding to implement the Rural Community-Based Care (CBC) Pilot Program should the Texas Legislature approve the pilot program model. Specific funding amounts will depend on the model which is in the process of development.

Updated CBC Funding Model

The feasibility of a capitated model of funding Single Source Continuum Contractors (SSCCs) and rural pilot lead entities is being explored by a contracted third party, with recommendations due to DFPS in November 2026. DFPS will have a corresponding funding request to support any costs associated with transitioning existing contractors to a new payment model and to cover inequities between the current funding model for Single Source Continuum Contractors (SSCCs) and a capitated funding model, should that model be adopted, allowing supplemental payments where needed for a smooth transition. Addressing funding deficiencies promptly will prevent prolonged contract disputes and financial instability caused by payment delays, protecting continuity of services for clients.