



Senate Finance Committee Testimony
Texas Department of Family and Protective Services
February 3, 2011

I am Nancy Holman, Executive Director of the Texas Alliance of Child and Family Services (Alliance), a statewide organization representing agencies across Texas that care for children who have been abused and neglected. We request that foster care caseload growth be fully funded and that the 5% rate reduction in foster care be restored (DFPS exceptional items #1 and 5). Full funding of both these items is critical to keeping children safe and in a licensed placement.

Full funding also enables Foster Care Redesign to be implemented. Redesign is a plan put forth to the Legislature to change how foster care service are purchased and delivered in Texas. The plan radically changes current practice with the goal of improving outcomes for children and efficiencies in our service delivery system. The change will be mandated by the contract, but implemented by the private provider sector. The private providers will be required to serve all children, in their home communities and with their siblings. Consequently, the private providers will be required to develop resources to meet these new contract requirements. Implementing these changes will be not inexpensive.

In addition, there are multiple potential benefits to Texas and to the children, including:

- **Incentives to Lower the Cost of Care:** A Single Source Contractor will be incentivized through a single rate to improve the child's well being and serve them in the least-restrictive setting. This reduces the average cost of care over time.
- **Incentives to Shorten the Length of Time in Care:** Contractors will be penalized if children stay longer than the average length of stay and rewarded if they shorten the length of stay.
- **Competitive, Procured Performance Contracts:** Quality providers will be identified and distinguished from poor performers.
- **Kids Stay in Region:** Providers must keep children close to home in least-restrictive setting and accept all children referred.
- **Work with Families:** Providers will work with the child's birth family to facilitate family reunification.

For the first time, Texas will be positioned to influence better outcomes for children through their contracting process. The change is significant for Texas because 88% of services to foster children are delivered through contract.

The caveat is that the agreed-upon recommendations are contingent on maintaining current foster care funding levels, which means fully funding exceptional items 1 and 5. All current resources are needed to build needed infrastructure and ensure all children and their families can be safely served. Unlike many of the items that need to be restored, **this is a restoration that transforms an entire system of care.**

Attached is resource material on the Foster Care Redesign project which gives greater detail on how it would be carefully implemented across the state. It also describes the broad coalition of key players that developing and endorse the plan.

In closing, I also want to mention the importance of continuing adoption subsidies and the post-adoption and purchased-adoption programs. There are 6000 children awaiting adoptions and 40% of adoptions are non-DFPS. These cuts will seriously impact moving children from the system to adoptive homes.