

SUBJECT: Study of contract performance at DPRS

COMMITTEE: Human Services — committee substitute recommended

VOTE: 9 ayes — Uresti, Naishtat, Christian, McCall, Miller, Olivo, Reyna, Villarreal, Wohlgemuth
0 nays

WITNESSES: For — Mike Foster, Caring Family Network and Foster Family Treatment Association; Jack Downey, Texas Alliance of Child and Family Services and The Children's Shelter; *(Registered, but did not testify:)* Audrey Puryear, Helping Hand Home for Children

Against — None

BACKGROUND: Child protective services, administered by the Department of Protective and Regulatory Services (DPRS), are designed to protect children from harm by their parents or by people responsible for their care. Caseworkers field and investigate reports of child abuse and neglect. If preserving the family is not possible or if a safe home environment cannot be established and maintained, DPRS may petition a court to remove children from the home and place them temporarily or permanently with substitute families or caregivers. The agency also oversees foster care and adoptions for children who must be removed from their homes. DPRS contracts with foster care and adoption agencies to place children.

DIGEST: CSHB 2058 would instruct DPRS to conduct a study of a random sample of 5 percent of the department's foster care and adoption agency contracts. The study would determine compliance with the goals and outcomes in the contract and state or federally mandated objectives. By December 31, 2004, DPRS would report the results of the study to the governor, Legislature, the Legislative Budget Board, the Sunset Advisory Commission, and the State Auditor's Office, including recommendations for additional goals and standards. This bill would take effect September 1, 2003.

**SUPPORTERS
SAY:**

CSHB 2058 is needed to evaluate and address variations in quality among services provided by foster care and adoption agencies in Texas. While some are models of best practices, others need to improve. The goal is to place children in the places with the best outcomes and standards. DPRS should collect the data needed to perform a thorough analysis of how well its contractors meet agency, state, and federal expectations.

The federal review of DPRS in 2000 showed areas where the state does not meet federal standards. The three primary areas of concern include safety, permanency, and well-being outcomes for children. Texas needs better information about how well individual contractors meet these standards so that it can place children in the best setting.

This information could be the basis for better performance-based contracting in the future. The state needs more information about contract compliance now and ideas for how to improve it if a move is made to performance-based contracting. Because performance-based contracting emphasizes quantifiable, measurable performance requirements and quality standards, it could have a significant positive impact on the lives of children in foster care or the adoption process.

**OPPONENTS
SAY:**

DPRS already collects the information called for under this bill. One of the agency's primary functions is contract management and overseeing foster care and adoption agencies. DPRS reviews and monitors contracts on an ongoing basis to ensure compliance with the goals and outcomes in the contract. The federal review already illustrated areas where the state needs work. The study this bill would require would not result in any new information. In addition, legislators reviewed the agency's state performance measures during the appropriations process.

DPRS also contracts with Youth for Tomorrow, a private non-profit organization that collects evaluative data about agency contracts. It looks at measures such as how much a child improved under care in one setting and why the child left the setting. This type of outcome information is very useful to the agency for determining how to better help children in its care.

It would be more valuable for DPRS to focus its resources on the Advancing Residential Childcare initiative that is at the working group stage within the

agency. That initiative is focused on contract review and creating recommendations for ways to change the payment structure to remove the bias toward higher needs children. There is no financial incentive to help children improve their levels of care needs in the current system, but there should be.

The state should not divert any funding from services to support studies with dubious value when it is in a budget crisis. The fiscal note estimates this bill would cost the state \$4,000 in fiscal 2004. While this might not seem like much money, it better could be used for foster care payments or adoption subsidies or to retain caseworkers.

NOTES:

The committee substitute differs from the bill as introduced by including only 5 percent of contracts in the study, while the original bill would have included all contracts.

The fiscal note attached to CSHB 2058 estimates a cost to the state of \$4,186 in fiscal 2004.