



Feb. 3, 2011

Chairman Ogden, Finance Committee Members;

My name is Theresa Tod; I'm the Executive Director of Texas Network of Youth Services, a statewide association of youth service providers. I also serve as a Co-Chair of the Substitute Care Workgroup of the Child Protection Roundtable, so I'm speaking today on behalf of that group's priorities related to substitute care, which basically mirror those of my own organization. With one exception, these priorities fall within the DFPS budget.

The Child Protection Roundtable's top priority for Substitute Care is to enhance services that will achieve placement stability for children who are in conservatorship of the Department; because we know that this one factor has a huge impact on the long term success of these children.

- We are therefore concerned that any reduction in funds for foster care reimbursements would further impede placement stability for children in care. As Commissioner Heiligenstein described on Tuesday, foster care rates would actually be cut 12%, and service providers are already reimbursed at rates that are far below actual costs. Under SB1, Residential Treatment centers would be reimbursed at 76% of costs, Basic Care at 81% of costs, and Emergency Shelters at only 59% of costs. *(See attached fact sheet).*
- Furthermore, any funding cuts in this area jeopardize implementation of the changes envisioned by the "Foster Care Redesign" initiative, which also support placement stability. This set of recommendations, developed collaboratively by key stakeholders and DFPS, would accomplish important improvements to the foster care system; such as keeping children within their communities and with sibling groups, increasing the focus on maintaining family connections, and rewarding providers for successful work, rather than the built-in financial disincentives that currently exist.
- Funding for relative care payment programs (both Upfront and Permanency Care Assistance) is another vital component for achieving placement stability. These funds provide minimal financial support to relatives who would not be able to provide care otherwise, and costs for less per child than foster care; so this program represents a significant savings to the state.
- Cuts to day care for relative caregivers, as well as cuts to adoption subsidies, would create further barriers to placing children in permanent settings.

You will hear from others who will speak on both Prevention and CPS priorities, for the Child Protection Roundtable as well as for TNOYS. In closing, I hope that you will use everything at your disposal – including the Rainy Day Fund and other revenue options – to take a balanced approach to balancing our budget!