



TEXAS
Department of Family
and Protective Services

Rider 49 Capacity Study

**As Required by the
2022-23 General Appropriations Act,
Senate Bill 1, 87th Legislature,
Regular Session, 2021
(Article II, Department of Family and
Protective Services, Rider 49)**

November 1, 2022

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Executive Summary

The 2022-23 General Appropriations Act, Senate Bill (S.B.) 1, 87th Legislature, Regular Session, 2021 (Article II, Department of Family and Protective Services [DFPS], Rider 49 Capacity Study) requires Department of Family and Protective Services (DFPS) out of funds appropriated above in Strategy B.1.2, CPS Program Support, to conduct a study to review current capacity. The study shall offer recommendations on how to improve capacity and offer recommendations on where capacity can be improved by geographical region. The report shall be submitted no later than November 1, 2022, to the Legislative Budget Board, the Governor, the House Committee on Appropriations, the Senate Committee on Finance, the House Committee on Human Services, the Senate Committee on Health and Human Services, and any standing Joint Legislative Oversight Committees, as appropriate.

This report, which focuses on DFPS Legacy (non-Community-Based Care) geographical regions, identifies that Statewide, Texas is meeting under 10% of local demand for Treatment Foster Family Care Beds and for Psychiatric Transition Beds. Both Treatment Foster Family Care (TFFC) and Qualified Residential Treatment Programs (QRTP) are relatively new programs and are in open enrollment to build capacity. Until operations enroll in QRTP to meet the demand for Psychiatric Transition beds, there will continue to be a deficit of placements available to fully support youth with complex mental and behavioral health needs. While building high-needs capacity (like QRTPs) are necessary efforts, leveraging familial and least restrictive settings will move DFPS in a positive direction. The capacity efforts for Single Source Continuum Contractors (SSCC) through Community-Based Care will be addressed in a separate report, as required by SB 1896, Section 5, 87th Legislature, Regular Session, 2021.

DFPS uses the Foster Care Needs Assessment to forecast data to project what capacity will be needed in each area of the state to meet the demands of children coming into care.

The recommendations for this report include:

- DFPS should concentrate its efforts to build capacity in geographic Region 9 (Permian/Concho) since it shows the most need for capacity overall, with the lowest percent of demand met for all bed type categories (44%).
- DFPS should also concentrate its efforts to build capacity in geographic Region 10 (El Paso), which shows the next highest percentage of need in all bed types except Basic Foster Home beds.
- DFPS should further support geographic Regions 4 (Piney Woods), 5 (Deep East), and 8A (Bexar County) which also show low comparative capacity, with under 70% of their children's placement needs met by local supply.

- Increase the use of kinship placements to reduce the utilization of traditional non-relative foster home services for low-needs children/youth.

Introduction

Between Fiscal Years 2020 and 2021, the Department of Family and Protective Services (DFPS) saw a strain on the foster care system which led to an increase in the number of children without a licensed placement -specifically, children with complex mental and behavioral health needs. The biggest issue, which was pointed out in the Expert Panel Report (convened after the recommendation from the federal foster care litigation), is meeting the residential needs of children who are experiencing temporary emergency care and without placement, which often fall outside the current foster care continuum. These children need services or placement settings that either do not exist within or are beyond the DFPS scope (i.e. children with significant health issues, juvenile justice involvement, or complex disabilities.)

Building capacity goes beyond recruiting more foster homes for the children in care, even though that remains an important part of the statewide effort. Decreasing the number of placement disruptions and ensuring children are in the most appropriate placements will allow the catchments to free placement capacity for the children who are in need. One of the biggest challenges faced by all geographic regions in Texas is building and maintaining enough foster homes to care for children and youth with complex mental health needs, youth with challenging behaviors, and older youth.

Building capacity still depends largely on contracted provider efforts. Contracted providers develop and manage 94 percent of all foster homes across the state¹, all foster homes for higher needs children, and all congregate care.

Since adding more local beds to regions will enable more children closer to home, each Single Source Continuum Contractor (SSCC) is contracted to develop capacity to serve the individual needs of the regions served. As SB 1896, Section 5, 87th Legislature, Regular Session, 2021 requires a separate report on the SSCCs' capacity efforts, they are not included in this report.

Capacity Issues

Texas' foster care system has been struggling for years to grow and maintain vital capacity. As illustrated by data published by DFPS annually, the number of children in substitute care at the

¹ DFPS Agency Homes vs. Private Agency Homes (fad_09); Data Warehouse

end of the fiscal year has been declining year for year since Fiscal Year 2018, falling from over 30,000 children to just under 27,000 at the end of Fiscal Year 2021.²

Nonetheless, the system struggles to maintain and improve capacity along the entire foster care continuum as providers continue to adjust to stricter regulation and oversight, while simultaneously responding to the unprecedented COVID-19 pandemic and the increase in the mental health and behavioral issues experienced by our children. During FY2020, DFPS lost 369 treatment beds. This number almost doubled in FY2021, totaling a loss of 656 treatment beds. DFPS does not dispute that a portion of the lost capacity resulted from the closure of operations with high rates of Minimum Standards deficiencies and Reason To Believe findings; however, the continued loss of capacity is occurring at higher rates than capacity gained.³

Texas Family Code, Section 264.1261, sought to address this problem by requiring the creation of plans to address the substitute care capacity needs in each region, called the DFPS Foster Care Needs Assessment, which is addressed later in this report. This assessment, as outlined below, informs the goals and objectives outlined in these plans, which specifically address the needs of the regions.

In September 2017, the number of children in need of temporary emergency care dropped to a historical low and remained relatively stable with only seasonal spikes until about March 2020.

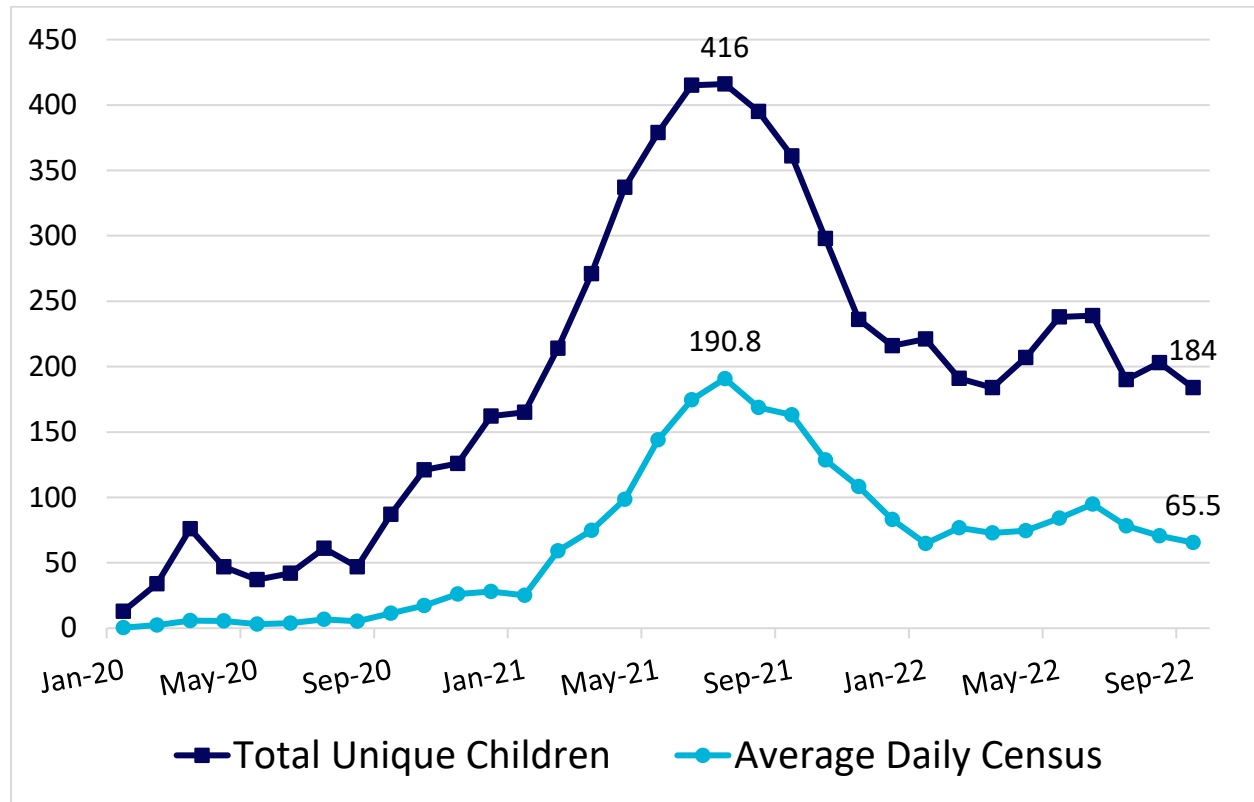
Over the past two years, the foster care system has been challenged leading to a substantial increase in the number of children in need of temporary emergency care under DFPS staff supervision. Children impacted most by the current capacity challenges tend to be teenagers between the ages of 15-17 years old with service levels of Specialized and Intense. Figure 1 (next page) tracks the number of children in need of temporary emergency care since fiscal year 2019.

²

http://www.dfps.state.tx.us/About_DFPS/Data_Book/Child_Protective_Services/Placements/Substitute_Care_on_Aug_31.asp

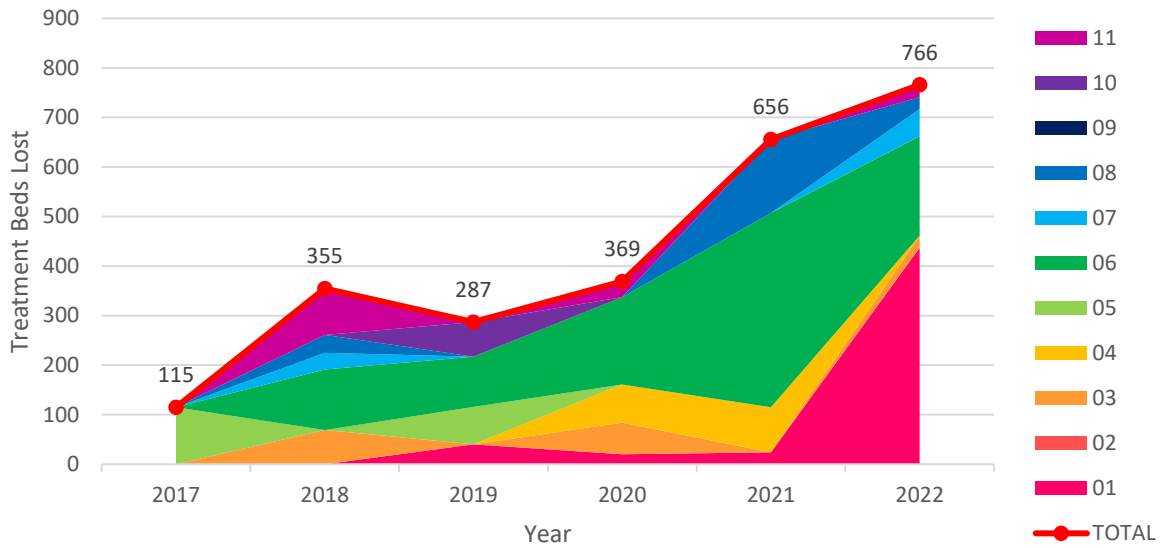
³https://www.dfps.state.tx.us/About_DFPS/Reports_and_Presentations/CPS/documents/2021/2021-09-14-DFPS_CWOP_Report.pdf

Figure 1. Children in Need of Temporary Emergency Care Trends from December 2019 through September 2022



The challenges with meeting the placement needs of children experiencing temporary emergency care can largely be attributed to bed capacity loss statewide. Over the past few years, statewide treatment bed capacity loss has been substantial, particularly for treatment beds as indicated in Figure 2 (next page). Notably, several contracts intended to serve children with the highest needs, such as Intense Psychiatric Treatment Program (IPTP) and Temporary Emergency Placement (TEP) contracts were terminated during this time. When comparing both Figure 1 and Figure 2 (next page), episodes of children who experienced temporary emergency care peaked when the state of Texas experienced its most substantial decrease in the number of treatment beds in 2021 when annual losses grew from 369 beds to 656 beds. Region 6 was impacted most severely with a total loss of 992 treatment beds from January 2017 to September 2022.

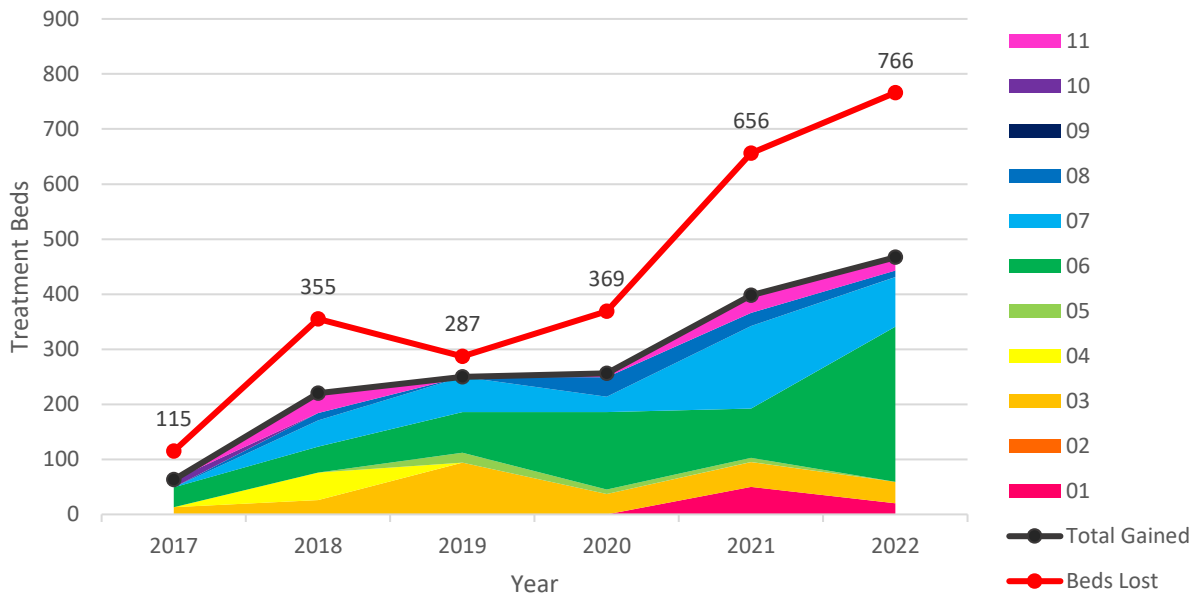
Figure 2. Treatment Bed Loss from January 2017 through September 2022⁴



Note: The sudden spike in bed capacity loss in 2022 for Region 1 is attributed to a single 437 bed facility that closed that year.

Figure 3 (below) shows the treatment bed gain versus the loss since January 2017.

Figure 3. Treatment Bed Gain vs Loss from January 2017 to September 2022.⁵



⁴ Closed Residential Child Care (RCC) Contracts in Last Five Years (pcs_18); DFPS Data Warehouse

⁵ Active Residential Child Care (RCC) Contracts (pcs_12) and Active SSCC Placement Network List (pcs_13); Data Warehouse

Foster Care Needs Assessment

In accordance with S.B. 11, 85th Legislature, Regular Session, 2017, DFPS developed an annual [Foster Care Needs Assessment](#). The purpose of this assessment is to use forecast data to project capacity needed in each area of the state to meet the demands of children coming into care. The CPS regional directors used the findings of this assessment to collaborate with local stakeholders to develop a local capacity plan, designed specifically to meet the needs of children from the area.

Systemically, DFPS has used information from the Foster Care Needs Assessment to inform foster care continuum development and policy changes, as well as to identify areas to incentivize through performance measures in residential childcare (RCC) contracts. Examples of these efforts include DFPS expanding the age of children eligible for TFFC from 0-10 years old to 0-17 years old and providing financial incentives to providers for placements of older children and sibling groups in foster family home settings through the RCC contract.

Through use of the Foster Care Needs Assessment and resulting plans, DFPS is in a better position to strategically develop capacity. The foster care system's stability was positively impacted by the utilization of the Foster Care Needs Assessment, the addition of new foster care services to the continuum, and the appropriation of provider rate increase funding by the 85th and 86th Legislatures.

To support contracted providers in understanding and using the information in the annual DFPS Foster Care Needs Assessment, each Regional Director hosts a regional strategic capacity building meeting, including not only foster care providers but local faith-based entities, child advocates, and other organizations as well. In these meetings, the Regional Director will facilitate a collaborative discussion about the data in the DFPS Foster Care Needs Assessment and any needed revisions or updates to last year's regional strategic capacity building plan. Updated regional strategic capacity building plans are also published on the DFPS website.

To measure how effective these efforts are, the Foster Care Needs Assessment incorporates a dashboard that is updated every six months. This allows regional leadership to determine the status of their strategic goals, which are submitted annually to assist with the following fiscal year strategic plan revisions.

At current time, the Foster Care Needs Assessment does not include Community-Based Care areas, but it will be enhanced to include the SSCCs in future.

Treatment Foster Family Care Services (TFFC)

Another collaborative effort to increase foster homes is the [HHS Open Enrollment Opportunity](#), recently posted for child placing agencies (CPA) interested in providing TFFC services. TFFC provides evidence-based, family foster care services for children with complex mental health and behavioral needs. It allows for wraparound services, as well as, an increased reimbursement rate to support what the foster family may need while addressing the child/youth’s needs. The purpose of the TFFC program is to increase capacity in the foster care system, reduce the number of children and youth in residential treatment centers, and prepare and stabilize children and youth for successful and less restrictive placement settings to promote positive permanency.

In addition, the release of the opportunity to bid on the \$19 million capacity building grants funded by the 87th Legislature occurred, and eligible applicants included DFPS-contracted CPAs. These grants provide resources for much-needed capacity stabilization and development.

Background

As noted in DFPS’ *Aligning Oversight of Foster Care Providers and Foster Families*, “DFPS continues to recognize that diligent recruitment of foster and adoptive homes must generate foster and adoptive families that meet the demographic characteristics of children in care. Demographic data of the children needing foster and adoptive homes is available through the monthly Data Warehouse reports and used to establish recruitment targets and track progress.”⁶

The following table indicates a decline in foster home activity in fiscal year to date 2022:

Table 1. Fiscal Year to Date 2022 Foster Home Activity⁷

Month-Year	DFPS Agency Homes ⁸	Private Agency Homes
September 2021	674	9724
June 2022	555	8839
Gain (+) or Loss (-)	-119	-855

While there is an observed decline, multiple factors could have contributed, such as ongoing COVID-19 concerns, Region 6 DFPS agency homes transitioning to private agency homes, as well as DFPS agency homes in other regions transitioning to private agency homes during

⁶ [Foster Adoptive Diligent Recruitment Plan](#)

⁷ DFPS Agency Homes vs. Private Agency Homes (fad_09); Data Warehouse

⁸ DFPS agency homes include foster, foster/adoptive, kinship and legal risk homes. Private agency homes are those associated with a contracted child placing agency. This does not include adoptive homes.

Community-Based Care (CBC) transition; however, DFPS continues ongoing efforts to recruit new foster families and retain current ones.

Since August 2017, an annual statewide Foster Care Needs Assessment has been published for non-community-based care regions. HHSC provides forecasting data which, in conjunction with an historical analysis of placement practices, provides an assessment of statewide foster care capacity needs.⁹

CPS Staff Who Support Contracted Provider Capacity Building Efforts

CPS directs several staff who help build substitute care capacity internally and by supporting contracted providers:

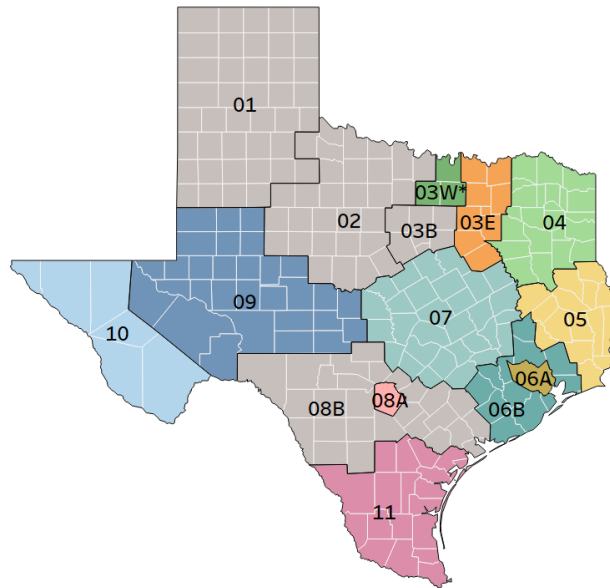
- FAD (Foster and Adoptive Home Division)-directly develops and manages a limited number of foster homes primarily in rural areas for children with basic service levels.
- Capacity Building Specialist-supports prospective and existing contracted providers. The specialist helps providers navigate the licensing and contractual processes, utilizes data on needed capacity for individuals interested in becoming foster parents, and connect prospective parents to Child Placing Agencies in their areas.
- Faith-Based Specialist-In each region, the Faith-Based Specialist supports contracted providers by working with congregations in their local faith communities to provide information about the needs of children and families in their area and how to become foster parent.

⁹ [Aligning Oversight of Foster Care Providers and Foster Families, August 2022](#)

Data on Substitute Care Demand and Supply

A main priority of CPS is to place children as close to home as possible to facilitate reunification with family and maintain connections with the community. Thus, contracted provider capacity is assessed using DFPS-designated regions within Texas (Figure 4). By assessing capacity by region, DFPS can identify areas in Texas that need beds to bring their children closer to home.

Figure 4. DFPS Regions for Foster Care Needs Assessment

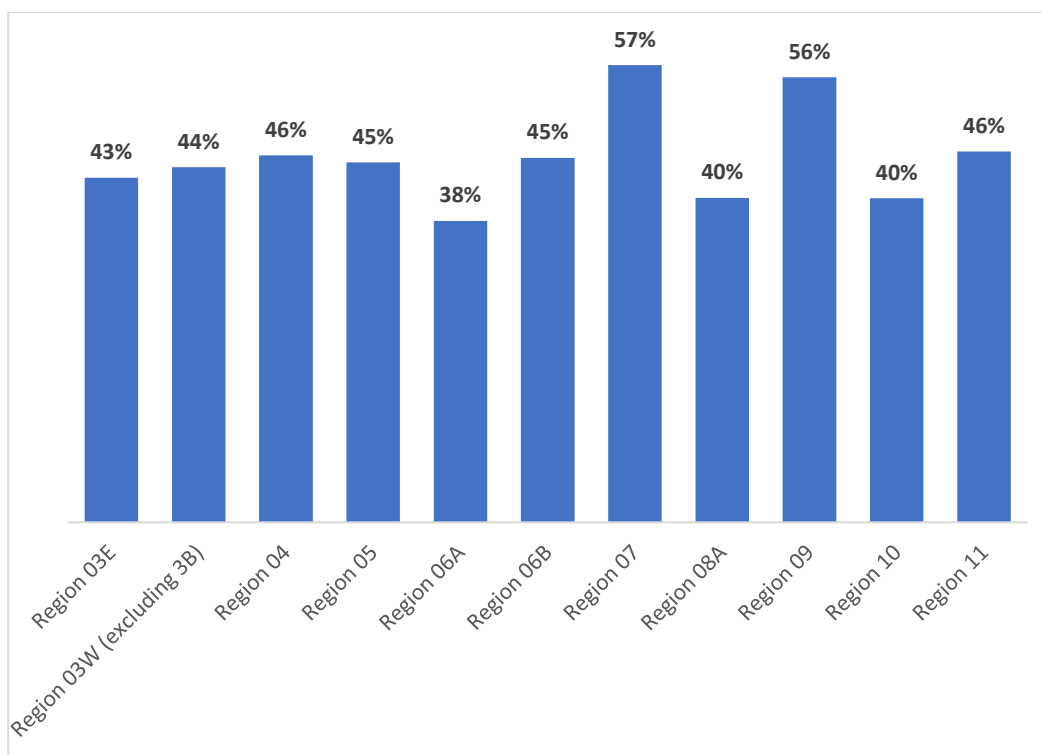


Region 1 (Panhandle), Region 2 (Big Country & Texoma), Region 3B (Metroplex West), and Region 8B (South Central and Hill Country) are all regions currently under CBC contracts. The Foster Care Needs Assessment currently only assesses capacity for DFPS/Legacy regions.

Placement with Kinship Caregivers

Increases in placements with kinship caregivers reduces the need for non-relative foster care. The most common placement is with a kinship caregiver who is not a verified foster parent. Statewide, around 44% of children in substitute care were placed with kinship caregivers on August 31, 2021. Figure 5 (next page) shows a percentage breakdown of children and youth placed with kinship caregivers (including both relatives and fictive kin) by geographical region.

Figure 5. Percent Placed with Kinship Caregivers by Region / Catchment on August 31, 2021



Source: DFPS Databook, [CPS 3.2 Children in Substitute Care by Placement Type¹⁰](#)

Non-Relative Foster Care

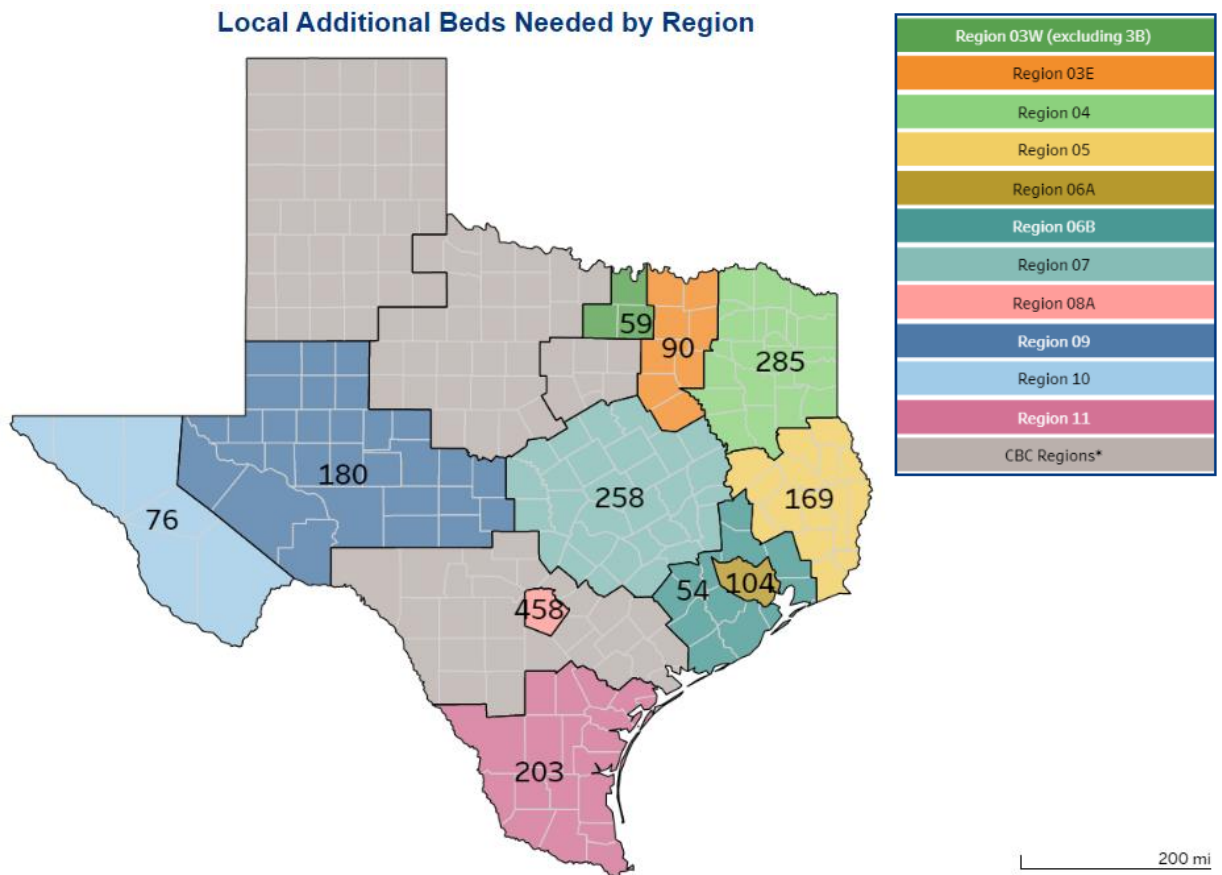
For children in substitute care that were unable to be placed with relatives or kin, they will need to be placed within CPS’s contracted provider network, such as foster homes and general residential operations. Whenever possible, CPS places children in home settings, but if a child or youth has needs that cannot be met in a home environment, general residential operations, such as residential treatment centers (RTCs), can provide access to care and treatment that might otherwise not be available in a standard home environment.

Local Needed Bed Counts

When assessing capacity, DFPS looks at demand and supply- the number of children in care who need placements and the number of placements available for these children. There are many factors that influence demand and supply, such as placements with kin, CPS placement strategies, and changes to policy and standards. Therefore, these capacity estimates should be considered in combination with other factors affecting the placement of children in foster care.

¹⁰ Data only reflects DFPS/Legacy Kinship percentages

Figure 6. Local Additional Beds Needed by Region



Source: [Foster Care Needs Assessment](#)

Figure 6 (above) shows the regions in Texas and the overall number of local beds needed in each region based on the FY22 mid-year update to the Foster Care Needs Assessment. The regions needing the highest counts of local beds to meet the demand of their regional populations are Regions 8A (Bexar County), 4 (Piney Woods), 7 (Central Texas/Waco/Capital Area), and 11 (South Texas/Rio Grande Valley).

Table 2 shows the counts of local additional beds needed by region and bed type. The highest counts of beds are needed for Basic Foster Home beds.

Table 2. Local Additional Beds Needed by Region and Bed Type

Region	Basic Foster Home	Specialized Foster Home	Treatment Foster Care	Residential Treatment Center	Psychiatric Transition	Grand Total
03E	0	0	32	24	34	90
03W (excluding 3B)	4	27	6	18	4	59
04	93	91	25	54	22	285
05	85	37	13	17	17	169
06A	0	0	35	0	69	104
06B	0	0	18	5	31	54
07	70	70	69	0	49	258
08A	247	38	50	62	61	458
09	63	60	11	22	24	180
10	16	28	6	12	14	76
11	64	45	29	42	23	203
Grand Total	642	396	294	256	348	1,936

Source: [Foster Care Needs Assessment](#)

While the needed bed count for Region 8A (Bexar County) appears much higher than other regional counts, this geographic region has a larger population than many other regions, so it is expected that the Region 8A bed counts, as well as other more urban region counts, would be higher.

These needed bed counts are useful for answering questions like “Which region needs the highest number of additional beds?” or “Where would a new 20-bed RTC facility be the most successful?”, but bed counts do not answer the question of “Which region is performing best at meeting the needs of its children?” Percentages answer this question as they take into account the overall size of a region’s population.

Percent Capacity by Region

Table 3 shows the percent of demand that is met by current supply. A higher percentage indicates that a region can meet more of its children's needs locally, with the best performance possible being 100% of demand met by local supply.

Table 3. Percent of Demand Met by Local Supply

Region	Basic Foster Home	Specialized Foster Home	Treatment Foster Care	Residential Treatment Center	Psychiatric Transition	Grand Total
03E	100%	100%	20%	76%	0%	93%
03W (excluding 3B)	98%	70%	0%	5%	0%	80%
04	81%	61%	0%	22%	0%	66%
05	76%	67%	0%	39%	0%	68%
06A	100%	100%	20%	100%	0%	92%
06B	100%	100%	25%	90%	0%	91%
07	92%	79%	0%	100%	0%	83%
08A	73%	85%	11%	49%	0%	67%
09	65%	29%	0%	0%	0%	44%
10	86%	57%	0%	0%	0%	64%
11	87%	86%	0%	31%	0%	78%
Grand Total	88%	84%	9%	66%	0%	79%

Source: [Foster Care Needs Assessment](#)

As noted earlier in this report, Statewide, Texas is meeting under 10% of local demand for Treatment Foster Family Care beds and for Psychiatric Transition beds. Both Treatment Foster Family Care (TFFC) and Qualified Residential Treatment Programs (QRTP) are relatively new programs and are in open enrollment to build capacity. Until operations enroll in QRTP to meet demand for Psychiatric Transition beds, there will continue to be a deficit of placements able to fully support youth with severe mental health needs.

Region 9 (Permian/Concho) shows the most need for capacity overall, with the lowest percent of demand met for all bed type categories (44%). Region 10 (El Paso) shows the next highest percentage of need in all bed types except Basic Foster Home beds. Regions 4 (Piney Woods), 5 (Deep East) and Region 8A (Bexar County) also show low comparative capacity, with under 70% of their children's placement needs met by local supply. Adding more local beds to regions would enable them to place more of their children closer to home, which can affect key outcomes for children in care.

Conclusion

Although Texas meets less than 10% of local demand for Treatment Foster Family Care Beds and for Psychiatric Transition Beds, both Treatment Foster Family Care (TFFC) and Qualified Residential Treatment Programs (QRTP) are relatively new programs and are in open enrollment to build capacity. Until operations enroll in QRTP to meet demand for Psychiatric Transition beds, there will continue to be a deficit of placements able to fully support youth with complex mental and behavioral health needs. While building high-needs capacity (like QRTPs) are necessary efforts, leveraging familial and least restrictive settings will certainly push DFPS in a positive direction. Increasing the use of kinship placements will reduce the utilization of traditional non-relative foster home services for low-needs children/youth. This will require Child Placing Agencies to assess expanding services into specialized and treatment foster homes as it will shrink the available census of children requiring basic care. If we can effectively deliver treatment services in a home setting, this will shrink the census of children requiring treatment in a congregate care setting.

Child Protective Services has developed and implemented various strategies over the past few years to assist with building substitute care capacity which are summarized below.

- CPS continues to partner with psychiatric hospitals to implement psychiatric stabilization programs to help children with multiple psychiatric hospitalizations an opportunity to stabilize and transition to a lesser restrictive environment. With the goal to have a program in every region across the state, CPS is collaborating with external stakeholders to continue to find partner hospitals willing to assist in expanding this program.
- DFPS is working on negotiations for capacity grant awards to build capacity for children without placement. Residential providers have submitted proposals to build capacity for this targeted population. It is anticipated that the awards should be granted in Fall 2022. DFPS will work closely with these residential providers to follow the implementation of new programs to ensure they are successful in meeting the needs of this population.
- DPFS still has an open enrollment available for Qualified Residential Treatment Programs (QRTP). While there are not currently any QRTPs available, multiple providers have expressed a desire to build a QRTP program during the upcoming fiscal year. This placement setting is designed to meet the needs of children and youth who have complex mental and behavioral health needs in a residential treatment setting using short term trauma informed treatment models.
- DFPS has posted an open enrollment to expand Treatment Foster Family Care (TFFC) with a lot of interest from child-placing agencies across the state. TFFC is a program designed to provide innovative, multi-disciplinary treatment services to a child or youth in a highly structured family home environment that is a cost-effective alternative to residential treatment. Previously, the TFFC Program was limited to three contracted

providers in specific areas of the state. DFPS is expanding this program by opening it up to all interested child placing agencies who are willing and able to meet the needs of this population of children and youth, while allowing the three current providers to expand to all areas of the state. It is anticipated that the capacity for this program will expand in the upcoming fiscal year.

- Like TFFC, DFPS is collaborating with interested child placing agencies to have Kinship Treatment Foster Care (KTFC) in Texas. This model, which very closely replicates Treatment Foster Family Care, will provide additional supports for children transitioning into a highly structured relative or fictive kinship home. To qualify, Kinship caregivers must complete the verification process through a child placing agency, as well as additional training to meet the needs of the child coming into their home.
- During the past fiscal year, DFPS has taken a more strategic, supportive role in assisting new DFPS contracted providers as they become licensed and start serving children in DFPS conservatorship. Through this effort, DFPS has assisted many providers as they implement their residential and foster care programs and gain experience. Many of these providers have successfully obtained their full licensing permit, which will allow them to expand to serve children and youth who require intense service levels. This new approach will help DFPS build long-term sustainable capacity.
- While we grow new capacity to eliminate children without placement, we are working closely with providers to increase capacity for children in DFPS conservatorship with the most complex needs with a focus on decreasing the number of children in congregate care settings as much as possible, while improving outcomes for children in all placement settings.
- Increase the use of kinship placements. According to the [Relative and Other Designated Caregivers Placement Program Report](#)¹¹ from September 2022, “The state has also seen a 45 percent decrease in children removed from their home in fiscal year 2022 to May when compared with this same time last year and has maintained consistency in relative placement at 44 percent.” DFPS recognizes that when more children are placed with Kinship caregivers, this somewhat alleviates capacity concerns and ensures those placements options remain available for children who cannot be placed with relatives or fictive kinship caregivers.
- As mentioned in the Executive Summary of this report, SB 1896, Section 5 requires HHSC, DFPS and SSCs to collaboratively develop a plan to increase the placement capacity in each catchment area. This report should address the lack of placement capacity and include short-term and long-term strategies to establish quality capacity to provide safe, stable placements for children. This report can be used as a starting point in the development of the capacity plan to fulfill the requirements.

¹¹ [Relative and Other Designated Caregiver Placement Program Report, September 2022](#)

List of Acronyms

Acronym	Full Name
CARP	Committee on Advancing Residential Practices
CBC	Community-Based Care
CPA	Child Placing Agency
CPS	Child Protective Services
DFPS	Department of Family and Protective Services
FAD	Foster and Adoptive Home Development
GPS	General Placement Search
GRO	General Residential Operation
HHSC	Health and Human Services Commission
IPTP	Intense Psychiatric Treatment Program
KTFC	Kinship Treatment Foster Care
PPP	Public Private Partnership
QRTP	Qualified Residential Treatment Program
RCC	Residential Child Care Contract
RTC	Residential Treatment Center
S.B.	Senate Bill
SSCC	Since Source Continuum Contractor
TEP	Temporary Emergency Placement
TFFC	Treatment Foster Family Care

