

Texas HHSC & DFPS Independent Assessment of Residential Child Care Rules, Standards, and Requirements (SB 593)

FINAL REPORT

HHSC Contract No. HHS001392800001

September 10, 2024



PUBLIC
CONSULTING GROUP

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I. EXECUTIVE SUMMARY

BACKGROUND

Public Consulting Group LLC (PCG) is pleased to present the Texas Health and Human Services Commission (HHSC) with the Final Report (Deliverable No. 8) for HHSC Contract No. HHS001392800001. This document details all findings and recommendations resulting from PCG’s independent assessment of Texas’ residential child care rules, standards, and requirements.

METHODOLOGY

The approach to this assessment consisted of four phases involving:

- I. Securing critical input from the HHSC and Department of Family and Protective Services (DFPS) project team and system stakeholders as part of the kickoff and project plan development,
- II. Assessing Texas’ current rules, standards, and requirements that apply to residential child care operations, child placing agencies, foster families, kinship families, and adoptive families to determine their relevance and compliance with federal standards and best practices;
- III. Submitting a preliminary assessment report; and
- IV. Conducting a draft final report review meeting and providing a final report to HHSC and DFPS.

Stakeholder engagement was a central component of PCG’s approach to the assessment. A project team comprised of key staff from HHSC, DFPS, and PCG met and communicated regularly, and PCG solicited broad input from stakeholders involved with and impacted by residential child care regulation and oversight, including State personnel; staff from residential child care operations and child placing agencies; foster, kinship, and adoptive families; Single Source Continuum Contractors (SSCC); and advocacy groups. PCG also regularly corresponded with the Honorable State Senator Kevin Sparks and the Honorable State Representative James Frank who sponsored Texas Senate Bill 593.

The following graphic summarizes the timeline and key tasks involved in each phase of the assessment:

FIGURE 1: RCC INDEPENDENT ASSESSMENT PROJECT PLAN AND TIMELINE



The assessment phase included four primary components, including the materials review (e.g., rules, statutes, standards, policies), business process review (e.g., HHSC and DFPS procedures), literature and peer state reviews (e.g., federal requirements, key standards, best practices), and extensive stakeholder engagement via survey, interviews, and focus groups.

Within this report, the term “statute” is used to denote codified laws (e.g., within Texas Human Resources Code and Texas Family Code); “rules” refer to administrative rules outlined in Texas Administrative Code; “standards” signify the Minimum Standards established in Texas Administrative Code, Title 26, Part I; and “requirements” generally refer to contract requirements established by DFPS for its contractors.

KEY FINDINGS

The key findings from PCG’s independent assessment are outlined below:

1. Standards and Requirements

- a. There are too many standards and requirements.
- b. Standards, policies, and practices are inconsistently interpreted and applied across staff and regions.
- c. Standards need to be updated to address contemporary issues, such as electronic communication and social media usage.
- d. Providers and caregivers (foster/kinship/adoptive families) find several rules and standards challenging to maintain.
- e. Kinship caregivers often meet initial standards but struggle with additional standards required for full licensure, causing dropout.
- f. Single Source Continuum Contractors are currently held to the Minimum Standards for child placing agencies (TAC Title 26, Part 1, Chapter 749) which doesn’t fully align with the SSCC context and creates confusion in the interpretation and application of some standards.

2. Weighted Enforcement System

- a. There is a lack of consistency, clarity, and transparency in the weighting and enforcement of standards.
- b. The weights assigned to some standards do not accurately reflect the potential risk that violations would pose to children’s health and safety, indicating higher concerns than necessary.

3. Administrative Requirements

- a. Excessive documentation, including repetitive paperwork, unrealistic timeframes, and duplicative standards and requirements, detracts from care and relationship-building with children and creates stress and burnout for State staff, provider staff, and foster families.
- b. Some CPA and GRO hiring requirements, such as the standards around obtaining a five-year work history (for applicants with five or more years of work experience) are staffing barriers for providers. This includes the time it takes for some background checks to be completed, particularly out-of-state checks (the timeframes and requirements for which are state-specific, beyond Texas’ control), which can delay hiring qualified staff. Some providers also reported that the standards around the required training for onboarding staff also create staffing barriers.
- c. The administrative review process for addressing citations and concerns is slow due to the time involved in obtaining requested records and an insufficient number of Regulatory Enforcement staff to process requests. DFPS Child Care Investigations is responsible for implementing safety plans for residential child care staff during investigations when needed. Investigations can result in staff suspensions. Delays in administrative reviews lengthen these suspensions, exacerbating staffing issues.

4. Provider Capacity and Retention

- a. The current enforcement environment, which is perceived as punitive, negatively impacts provider capacity and morale and contributes to difficulties retaining provider staff and foster families, resulting in decreased service availability for children.
- b. There is incongruence between how the current system is viewed between frontline State personnel and external stakeholders; the majority of HHSC and DFPS survey respondents agree with the current approach to the rules, regulations, standards, and weighting system, while HHSC and DFPS leadership believe changes are needed to simplify and streamline regulations and requirements.
- c. Foster parents are often confused between the various oversight activities, from HHSC inspections and random sampling to DFPS investigations.
- d. The practice of issuing citations before licensure creates additional administrative work for the State and providers and slows down the licensing process.
- e. There is a need for separate, safety-focused standards for kinship and fictive kin homes.
- f. Residential child care provider staff's and foster parents' fear of false accusations of abuse and neglect by the youth under their care and the resultant child care investigations make it difficult for providers to recruit and retain qualified staff and caregivers.
- g. Communication with CPS is challenging; families often feel uninformed and struggle to reach CPS workers. Caregivers reported better communication and collaboration with providers.

5. Coordination and Consistency between HHSC and DFPS

- a. HHSC and DFPS frontline staff, in their respective roles, do not always communicate the same messages about what is ok or allowable when addressing the same set of facts/circumstances around an identified issue (e.g., CCR inspections versus RCC contract monitoring).
- b. DFPS and HHSC personnel do not always interpret policies, standards, and requirements similarly in their respective roles. Individual CCR personnel interpret the same standards differently, and, to a lesser degree, some RCC staff interpret similar contract requirements differently.
- c. Both HHSC and DFPS visit youth, families, and providers for various oversight activities, and there is often little coordination between State personnel for these contacts, even when they involve similar incidents/allegations. HHSC and DFPS leadership encourage such coordination to promote trauma-informed care. It is important to note that there will always be instances in which coordinating contact will not be possible due to mandated timeframes required for ensuring child safety when concerns are reported (e.g., in DFPS Child Care Investigations).

RECOMMENDATIONS

PCG puts forth the following recommendations based on the totality of data collected and analyzed for the 2024 Independent Assessment of Residential Childcare Rules, Standards, and Requirements in Texas. The State of Texas may accept all, some, or none of these recommendations.

For details of the following recommendations, please refer to **Section V. Recommendations**.

Recommendation 1: Engage stakeholders in planning for implementation of the recommendations from this assessment

Recommendation 2: Streamline the Minimum Standards consistent with PCG's recommendations.

Recommendation 3: Adopt separate verification standards for relative and kinship foster family homes.

Recommendation 4: Address the gap in standards for Single Source Continuum Contractors.

Recommendation 5: Modernize the Weighted Enforcement System.

Recommendation 6: Discontinue issuing citations during the application/approval process.

Recommendation 7: Explore ways to coordinate HHSC and DFPS visits with children and providers for oversight activities.

Recommendation 8: Strengthen training and technical assistance around residential child care regulation and oversight.

Recommendation 9: Increase automation and the use of technology within residential child care regulation and oversight to improve user experience and efficacy.

Recommendation 10: Implement targeted strategies for retaining State regulatory and oversight personnel, residential child care staff and providers, and foster, kinship, and adoptive families.

II. INTRODUCTION

Public Consulting Group LLC (PCG) is pleased to present the Texas Health and Human Services Commission (HHSC) with the Final Report (Deliverable No. 8) for HHSC Contract No. HHS001392800001. This document details all findings and recommendations resulting from PCG's independent assessment of Texas' residential child care rules, standards, and requirements.

BACKGROUND

S.B. 593

Texas' legislature investigated the placement crisis for youth in Department of Family and Protective Services (DFPS) conservatorship following a loss of more than 1,000 beds for children in foster care in State Fiscal Year 2021. The investigation identified several contributing factors, including the State's current regulatory and oversight processes, which were characterized as being inefficient and overly burdensome and as contributing to a shortage of high-quality placements that meet children's needs.

Texas Senate Bill 593 (88th Legislature, Regular Session), sponsored by Hon. Senator Kevin Sparks and Hon. Representative James Frank, titled "Relating to licensing and oversight of certain facilities and homes providing substitute care for children in the conservatorship of the Department of Family and Protective Services," requires an independent assessment of the regulatory and oversight systems in place for residential child care. S.B. 593 amends Chapter 42 of the Texas Human Resources Code to add Section 42.027 to read as follows:

Sec. 42.027. INDEPENDENT ASSESSMENT.

(a) Not later than March 31, 2024, the commission shall contract with an independent entity that has demonstrated expertise in evaluating state child welfare systems and conducting statistical and operational analysis to conduct an assessment of:

(1) the commission's and the department's rules, minimum standards, and contract requirements that apply to child-placing agencies, residential child-care facilities including foster homes, relative caregivers, and adoptive homes; and

(2) the standards or oversight requirements prescribed by law to determine:

(A) the relevance of the standard or oversight requirement;

(B) whether the standard or oversight requirement complies with federal laws, rules, or guidelines; and

(C) whether the standard or oversight requirement is the best practice.

(b) Not later than September 30, 2024, or the date of the next comprehensive review required under Section [42.042\(b\)](#), whichever occurs first, the independent entity shall complete the assessment and submit to the commission and the department a report that includes the findings of the assessment and recommendations for:

(1) simplifying the commission's minimum standards for the purposes of:

(A) prioritizing the health, safety, and well-being of children residing in a residential child-care facility including a foster home or the home of a relative caregiver or an adoptive parent; and

(B) reducing any barriers to opening a child-placing agency or a residential child-care facility or becoming a relative caregiver, a foster parent, or an adoptive parent;

(2) adjusting the commission's system for assigning weights to minimum standards to ensure that the system is methodical, consistent, and reflective of a strategic model for increasing the focus on the health, safety, and well-being of children residing in a residential child-care facility including a foster home or the home of a relative caregiver or an adoptive parent, including an explanation of the recommended adjustments;

(3) taking into consideration the model licensing standards recommended by the Administration for Children and Families of the United States Department of Health and Human Services, eliminating any minimum standards that are weighted as low, medium-low, or medium by the commission and are not directly related to child safety;

- (4) addressing any licensing, training, or oversight requirements that are barriers to retaining high-quality residential child-care facilities including foster homes, relative caregivers, or adoptive parents;
- (5) updating licensing standards for the purposes of:
- (A) prioritizing the health, safety, and well-being of children residing in a residential child-care facility including a foster home or the home of a relative caregiver or an adoptive parent; and
 - (B) reducing any barriers to the hiring and retention of high-quality leadership, administrators, and staff at child-placing agencies and residential child-care facilities;
- (6) providing maximum flexibility in applying standards to ensure that services are provided in response to the needs of each individual child residing in a residential child-care facility including a foster home or the home of a relative caregiver or an adoptive parent;
- (7) defining the commission's and the department's role in licensing, investigating, contract oversight, and any other regulatory activity to eliminate duplicate functions among the commission and the department or divisions within the commission or department; and
- (8) promoting transparency and clarity of the commission's and the department's expectations for child-placing agencies, residential child-care facilities including foster homes, relative caregivers, and adoptive parents.
- (c) The independent entity conducting the assessment under this section shall make any recommendations for legislative action, including recommendations for retaining, repealing, or modifying existing state laws or rules or adopting new state laws or rules, necessary to implement the entity's recommendations described by Subsection (b).
- (d) In conducting the assessment, the independent entity shall solicit and consider the input of relevant stakeholders, including those affected by the commission's or the department's rules, minimum standards, and contract requirements that apply to child-placing agencies, residential child-care facilities including foster homes, relative caregivers, or adoptive parents.
- (e) The commission shall publish the independent entity's report on the commission's Internet website and submit a copy of the report to the governor, the lieutenant governor, the speaker of the house of representatives, and the standing committee of each house of the legislature with primary jurisdiction over the commission.
- (f) Not later than the 90th day after the date the commission receives the independent entity's report, the commission, in collaboration with the department, shall submit to the governor, the lieutenant governor, the speaker of the house of representatives, and the standing committee of each house of the legislature with primary jurisdiction over the commission a report that includes a description of:
- (1) the commission's and department's plan to implement the independent entity's assessment recommendations; and
 - (2) any recommendation the commission or department decides not to implement and a written justification for not implementing the recommendation.
- (g) This section expires September 1, 2025.

Added by Acts 2023, 88th Leg., R.S., Ch. 51 (S.B. [593](#)), Sec. 1, eff. May 19, 2023.

Independent Assessment

Consistent with Senate Bill 593, the Texas Health and Human Services issued a Request for Proposals (RFP No. HHS0013928) and Public Consulting Group LLC (PCG) was selected to conduct an independent assessment of the rules and regulations governing residential child care in Texas, including foster and adoptive homes, and provide recommendations for how the State may:

- simplify and streamline standards to prioritize the health, safety, and well-being of children;
- reduce barriers to hiring and retaining staff at residential child care operations; and
- decrease barriers to attracting and retaining potential child placing agencies, residential child care operations, foster families, kinship families, and adoptive families.

RESIDENTIAL CHILD CARE REGULATION & OVERSIGHT

Child Safety

Texas Administrative Code defines child safety as “the absence of danger or the presence of protective actions demonstrated over time by a parent or caregiver that mitigates dangers to the child (DFPS Rules, 40 TAC §707.451(a)(5)).” DFPS Policy further defines child safety as “the protection of a child from abuse or neglect (Child Protective Services Handbook, Definitions),” citing the administrative rule above and outlining:

- “A child is considered **safe** when any of the following are true:
 - There is not an identified *immediate danger* present within the family.
 - The child is not *vulnerable* to any danger indicators.
 - A parent or legal guardian possesses sufficient *protective capacity* to manage any immediate dangers
- A child is considered **unsafe** when all of the following are true:
 - An *immediate danger* exists within the family.
 - The child is *vulnerable* to the immediate danger.
 - A parent or legal guardian has insufficient *protective capacities* to mitigate/address the immediate danger.”

More broadly, child safety refers to the practices, policies, and measures implemented to protect children from harm, injury, abuse, neglect, and exploitation, ensuring their physical, emotional, and psychological well-being. The goal of child safety is to create a nurturing and protective environment where children can grow, learn, and thrive without fear of harm, ensuring they develop into healthy, well-adjusted adults.

Child health and safety are the keystones of residential child care licensing and oversight and, therefore, the underpinning of this project. Both DFPS’ and HHSC’s mandates center on keeping children safe and protecting them from abuse, neglect, and exploitation. Throughout the assessment, the project team maintained child safety as a non-negotiable North Star.

Protections for Children in Substitute Care

TITLES IV-E AND IV-B REQUIREMENTS

Titles IV-E and IV-B of the Social Security Act (the Act) lay out requirements for state and tribal agencies overseeing foster care to ensure that children receive “safe and proper care.” The key requirements are:

1. **Case Plans for Each Child:** agencies must develop a case plan ensuring the child receives “safe and proper” care. The plan must address the child’s needs while in foster care, and it must include a discussion of the appropriateness of services provided to the child. Required components include placement information, health and education records, service plan, permanency goals, efforts to achieve permanency, consideration of the child’s wishes, transition planning for older youth, and sibling placement and visitation information (Title IV-E, Section 475(1)(B)).
2. **Case Review System:** In addition to having a written case plan developed jointly with the child’s parents and the child, each child’s case must be reviewed periodically (at least every 6 months) by a court or by administrative review. A permanency hearing must be held within twelve months of the child’s entry into foster care and at least annually thereafter, and the system must have provisions for filing a petition to terminate parental rights if certain conditions are met. Notice of reviews and hearings and an opportunity to be heard in proceedings must be provided to youth, parents, foster parents, pre-adoptive parents, and relative caregivers. The case review system

must ensure that the child's health and safety are the paramount concern in all case planning and review processes (Sections 422(b), 471(a)(16), 475(1)(B), and 475(5) of the Act).

3. **Foster Parent Training:** agencies must certify that foster parents are adequately prepared with the necessary knowledge and skills. Training and preparation must be ongoing and continue after the child's placement, as necessary (Title IV-E, Section 471(a)(24)).
4. **Quality Standards for Foster Care:** agencies must develop and implement standards ensuring that children in foster care receive quality services that protect their safety and health (Title IV-E, Section 471(a)(22)).

In summary, titles IV-E and IV-B require agencies to safeguard the welfare of children in foster care through comprehensive case plans, adequate foster parent training, and stringent quality standards for foster care services. These measures are designed to provide children with safe, appropriate, and high-quality care while in foster placements.

LICENSING

In addition to ensuring that children in foster care receive “safe and proper” care, federal law requires states and territories to ensure that all licensed child care programs meet minimum health and safety requirements. These requirements include:

- Criminal background checks for child care staff
- Ongoing training for child care staff, such as CPR, first aid, and safe sleep for infants
- Sanitation
- Emergency planning
- Building safety
- Child and caregiver health
- Ongoing monitoring to ensure the child care program continues to meet all health and safety requirements

Child care licensing is a process established by state and territory governments to set minimum health and safety standards for child care programs. Licensed programs are regularly monitored for continued compliance with these standards.

Licensed child care providers and their staff must meet specific qualifications and undergo continuous training to provide quality care. Programs must maintain supervision ratios to ensure there are enough adults to supervise children.

Each state and territory has child care regulation staff who must make regular onsite, in-person visits to monitor and inspect all licensed child care programs. Child care regulation staff document the results of these visits through monitoring and inspection reports. Federal law requires states and territories to post the results of child care monitoring and inspection reports online.

Residential Child Care in Texas

Per Rule §745.35 of the Texas Administrative Code (Title 26, Pt. I, Ch. 745., Sub. B), residential child care refers to the care, custody, supervision, assessment, training, education, or treatment of an unrelated child or children up to age 18 years for 24 hours a day that occurs in a place other than the child's own home. Residential child care includes General Residential Operations and Child Placing Agencies.

A General Residential Operation (GRO) is a child care facility that provides care for seven or more children for 24 hours a day. This definition encompasses various types of facilities, including but not limited to:

- Emergency shelters
- Residential treatment centers

- Therapeutic camps
- Basic child care facilities

GROs may offer a wide range of services, including basic care, therapeutic interventions, and specialized programs to meet the diverse needs of the children in their care. These facilities are regulated by the Texas Health and Human Services Commission (HHSC) to ensure compliance with state standards for the safety, health, and welfare of children.

A Child-Placing Agency (CPA) is defined as a person or organization, other than a child's natural parents or guardian, that places or plans for the placement of a child in a child-care facility, foster home, or adoptive home. This definition includes agencies involved in:

- Adoption Services: facilitating the placement of children into adoptive homes
- Foster Care Services: arranging for the temporary care of children in foster homes

CPAs are responsible for ensuring that the placements they facilitate are safe and appropriate for the child's needs. They are licensed and regulated by HHSC and must comply with state standards and regulations to operate.

Residential child care provides 24-hour substitute care to and supervision of children and youth who cannot live with their families. Children must be kept safe, thereby necessitating proper licensing and oversight of providers and caretakers. The Health and Human Services Commission and the Department of Family and Protective Services play key roles in child care regulation and oversight.

Texas Health and Human Services Commission

Sections of Chapter 531 of the Texas Government Code transferred regulatory functions from the Texas Department of Family and Protective Services (DFPS) to the Texas Health and Human Services Commission (HHSC) on September 1, 2017. This includes oversight of child-care operations and the licensing of child care and child placing agency administrators.

Chapter 42 of the Texas Human Resources Code designates HHSC as the agency responsible for protecting the health, safety, and well-being of Texas children by regulating child care operations that provide assessment, care, training, education, custody, treatment, or supervision:

- for a child who is not related by blood, marriage, or adoption to the owner of the operation; and
- for all or part of the 24-hour day.

Similarly, Chapter 531 also transferred DFPS' responsibilities under Chapter 43, making HHSC responsible for issuing licenses for child care and child placing agency administrators.

The Child Care Regulation (CCR) Department within HHSC is responsible for the requirements in Chapters 42 and 43 of the Texas Human Resources Code. CCR regulates:

- General residential operations (GRO)
- Child-placing agencies (CPA)
- Foster homes and adoptive homes verified by CPAs

CCR's regulatory activities include:

- Reviewing and issuing permits
- Inspecting and investigating child-care operations
- Ensuring compliance with state laws
- Providing technical assistance and support to improve child-care programs
- Conducting background checks

CCR oversees:

- Child Day Care for children under 14, less than 24 hours at a time

- Residential Child Care for children under 18, and specific populations 18 and older (Young Adult Care), 24 hours a day
- Licensing of child care administrators and child placing agency administrators

There are two main types of licensed administrators:

- Child care administrators supervise general residential child care operations or residential treatment centers.
- Child placing agency administrators supervise child placing agencies, overseeing their programs and personnel.

CCR regulates all residential child care providers in Texas, including those who provide child care services outside of contracts with the Department of Family and Protective Services and Single Source Continuum Contractors. Not all children placed in residential child care facilities and Agency Homes are in DFPS conservatorship. Some operations accept children from parents, the Texas Juvenile Justice Department, the Office of Refugee and Resettlement, and other referral sources.

Texas Department of Family and Protective Services

DFPS Purchased Client Services (PCS) performs functions related to contracts for Adult Protective Services (APS) and Child Protective Services (CPS) client use or benefit, support services, and services purchased or negotiated using State Office contracts. Purchased client services are services provided by outside entities under contract with DFPS. PCS is responsible for:

- Working with DFPS programs (CPS and APS) to plan the purchasing of contracted services; establish the qualifications and service deliverables; develop reporting and documentation requirements; and determine a payment methodology and performance measures for each service
- Development of the contract
- Contract administration and management
- Contract monitoring and accountability
- Resolution of contracting issues

Purchased Client Services is a part of the Office of the Deputy Commissioner and includes four units:

- Regional APS Contracts
- Regional CPS Contracts
- Residential Child Care Contracts
- State Office Contracts

Residential Child Care Contracts fall within the scope of this study.

Residential Child Care Contracts

DFPS contracts with about 300 licensed residential child care providers to provide substitute care to children in DFPS's managing conservatorship. Through these contracts, DFPS establishes the qualifications, standards, services, expectations, and outcomes for 24-hour child care facilities and child placing agencies.

DFPS has multiple teams of residential contract managers (RCM) who assess, monitor, and manage these contracts. The RCMs serve as liaisons between DFPS field staff and providers to improve communication, gather input, and resolve conflicts. They also work closely with a third party (Youth For Tomorrow), Child Protective Services, and HHSC CCR to ensure contractors comply with service level requirements, contract expectations, and standards.

Community-Based Care Contracts

The Community-Based Care Contracts are housed and administered in the Community-Based Care Operations Division. Community-Based Care (CBC) is a community-based approach to meeting the individual and unique needs of children, youth, and families. DFPS contracts within a geographic service

area with a single contractor, officially known as a Single Source Continuum Contractor (SSCC). Most CPS duties will transition to local service networks, each operated by an SSCC. The SSCC is responsible for finding foster homes or other living arrangements for children in state care and providing a full range of services, including case management. There are currently seven SSCCs, with CBC currently serving approximately half of Texas geographically and nearly half of the children who are in state custody due to child abuse or neglect. All of Texas will be served by CBC by 2029.

Community-Based Care Contracts fall within the scope of this study.

In addition to Residential Childcare Contracts and Community-Based Care Contracts, *Child Care Investigations* within DFPS are part of residential child care regulation and oversight and are therefore in scope for this project.

Child Care Investigations

Child Care Investigations (CCI) is a division of Child Protective Investigations that investigates child abuse, neglect, and exploitation allegations in licensed and regulated child care operations in the state, including both daycare and 24-hour residential care settings, which includes foster care. In a CCI investigation, an investigator may interview child care staff, family members, and others with knowledge to get enough information to determine if abuse, neglect, or exploitation occurred. At the end of the investigation, DFPS makes a disposition on each allegation. Residential Child Care Investigations (RCCI) is a program within the CCI Division that investigates child abuse, neglect, and exploitation in operations that provide 24-hour residential child care.

LITERATURE & PEER STATE REVIEW

Multiple states have undergone initiatives to streamline their regulatory systems. Strategies to do so include creating inventories of rules, setting transparent goals, applying measurement techniques, and ensuring sustainability of reforms.

Common components of these state initiatives have involved:

- Creating inventories to catalog rules
- Setting goals and committing to transparency
- Applying measurement techniques
- Analyzing and assessing regulations
- Practicing outreach and marketing
- Reporting to the Governor
- Implementing oversight and enforcement mechanisms
- Ensuring sustainability of reforms with periodic reviews

These components reinforce that this is not a “one-and-done” exercise. Steps will need to be taken to communicate the changes, train staff and providers, and periodically review the effectiveness and sustainability of the standards, rules, regulations, and practices.

Peer State Reviews

The licensing process for foster care involves several steps, including orientation, application, background checks, and training. Best practices include ensuring prompt orientation meetings, streamlining the application process with technology, and offering online training options.

Common components of peer states’ licensing processes include:

- Collaborative approaches with placing agencies and resource parents to designing rules and procedures

- Emphasis on building relationships with resource parents, i.e., “family-friendly processes”
- Consistent and clear standards
- Online applications
- Technical assistance throughout

State of Minnesota

Minnesota has been undergoing reviews of their foster family processes for the last few years. In 2021, the state implemented a background study reform to address disparities for people applying to provide child foster care. The reform aimed to reduce delays to permanency and address standards that were disproportionately excluding relatives from providing foster care. Following this, the Minnesota Department of Human Services (DHS) undertook an initiative to update foster care licensing guidelines, called Engage MN DHS.

Statute directed DHS to consult with child advocates, representatives from community organizations, representatives of the state’s ethnic councils, family foster setting providers, youth who have experienced family foster setting placement, child protection staff, and representatives of private licensing agencies. The stakeholder process included surveys, engagement groups, and workgroup meetings with professionals in the field. The stakeholder process found multiple issues with the rules, guidelines, and processes before the release of the updated guidelines, such as high caseworker turnover, too much paperwork and visitations to placement families, confusing and repetitive requirements, and a general lack of training and support. For these reasons, the updated guidelines were developed to

- Make the standards for the assessment and licensing process consistent and clear,
- Clarify the standards for on-going support and accountability for licensed child family foster homes, and
- Reduce barriers for families trying to get licensed.

DHS released updated Foster Care Licensing Guidelines in 2023. The newly streamlined application process allows anyone 21 or older to apply, with agencies providing detailed information and timelines. Agencies must track application status to ensure efficiency and identify areas for improvement. The assessment process involves simultaneous activities to expedite licensing, and agencies are encouraged to keep applicants engaged by considering their individual circumstances and providing necessary support. The home study assessment includes a thorough review of the applicant’s background, home safety, and capacity to care for children, with multiple interactions and visits to ensure a comprehensive evaluation. Applicants can request variances to certain requirements, which must be approved before licensing.

State of California

The California Department of Social Services (CDSS) oversees licensing and enforcement of regulations and interim licensing standards for various care facilities, including group homes and Short-Term Residential Therapeutic Programs (STRTPs). STRTPs provide specialized care and mental health services to children. Group homes under court jurisdiction must transition to STRTPs or receive an approved extension.

The STRTP application process involves submitting a program statement to county agencies, obtaining national accreditation within two years, and obtaining mental health program approval within twelve months of provisional licensure. Inspections for STRTPs and group homes are conducted at least once every two years, and complaint investigations are conducted within ten days (about 1.5 weeks) of a complaint.

The CDSS also oversees Foster Family Agencies (FFAs), which manage Resource Family Approvals (RFA) and Intensive Services Foster Care (ISFC). The ISFC program provides intensive treatment and

behavioral support to children, with two delivery models: FFA and public. ISFC resource parents must complete pre-placement training. Therapeutic Foster Care is a short-term, intensive intervention for children with complex emotional and behavioral needs.

Resource Family Approval (RFA) is a unified, family-friendly process for approving families for foster care, legal guardianship, or adoption. All families providing a home for a child in foster care in California must apply for RFA. RFA streamlines and unifies approval standards for all caregivers and prepares them to meet the needs of foster children, allowing for a seamless transition to permanency.

Other States' Licensing Processes

The Oklahoma Department of Human Services has streamlined its resource parent approval process, taking about two months for approval, including training and home study. The agency has increased the number of recruiters to about 50, responsible for onboarding families, completing paperwork, and background checks. All home studies are contracted out, and families are transferred to ongoing services upon approval.

In New Jersey, the Department of Children and Families has significantly increased recruitment and retention of foster and adoption homes, doubling the number of licensed foster homes compared to children in care. They emphasize building relationships with resource parents and providing immediate crisis intervention through the Mobile Response and Stabilization Services team, ensuring high placement stability.

Additional states demonstrating different approaches to licensing standards, specifically specialized licensure types and flexibility in meeting requirements, include the Commonwealth of Massachusetts, the District of Columbia, and the State of Florida. The Massachusetts Department of Children and Families has implemented an online application process for foster and adoptive parents and holds virtual informational sessions. Prospective parents must complete a 30-hour Massachusetts Approach to Partnership in Parenting training course, offered both virtually and in person. The District of Columbia Child and Family Services Agency offers online application forms and virtual information sessions for prospective foster parents. They utilize a resource parent recruitment team and the REACH Ambassador program to identify outstanding resource parents. The Florida Department of Children and Families uses five levels of foster parent licensure, ranging from child-specific to medical foster homes. They also allow for waivers of certain licensing requirements for Level I homes on a case-by-case basis, approved by the Regional Managing Director or Department designee.

National Model Foster Family Home Licensing

The National Model Foster Family Home Licensing standards provide clear and practical guidelines for states to reference in licensing foster family homes across the domains of foster home eligibility, home studies, health and safety, capacity, sleeping arrangements, emergency preparedness, transportation, training, and foster parent assurances. However, no such similar standards exist for congregate care institutions (i.e., GROs in TX), leaving a gap in guidance and standardization nationally.

III. METHODOLOGY

2.5.2 c. The final report must contain a complete account of all the information and findings from the assessment, as required by Senate Bill 593, Act of May 4, 2023, 88th Leg., R.S., § 1 (to be codified at Tex. Hum. Res. Code § 42.027) and in accordance with Section 2.3 (Conducting the Assessment).

OVERVIEW

This section outlines PCG’s approach to the project and includes a detailed description of the activities conducted to meet the requirements of the Scope of Work for Contract No. HHS00139280001. The following graphic summarizes the timeline and key tasks involved in each phase of the assessment:

FIGURE 2: RCC INDEPENDENT ASSESSMENT PROJECT PLAN AND TIMELINE

Phase I. Project Kickoff	Phase II. Conducting the Assessment	Phase III. Preliminary Assessment Findings and Recommendations	Phase IV. Final Report
<ul style="list-style-type: none"> ❖ Kickoff meeting between PCG, HHSC and DFPS project team ❖ Submit detailed project plan ❖ Conduct project plan review meeting 	<ul style="list-style-type: none"> ❖ Materials Review ❖ Literature and Peer State Review ❖ Business Process Review ❖ Survey ❖ Focus Groups 	<ul style="list-style-type: none"> ❖ Develop preliminary assessment report ❖ Conduct preliminary assessment review meeting 	<ul style="list-style-type: none"> ❖ Prepare draft final report ❖ Conduct final report review meeting ❖ Submit final report ❖ PCG provides technical assistance, as needed
March 2024	Mar. '24 – Jun. '24	Jun. '24 – Jul. '24	Jul. '24 – Aug. '24

Detailed information on each step of Phase II. Conducting the Assessment is provided in the pages that follow.

MATERIALS REVIEW

PCG reviewed and documented the rules, statutes, and minimum standards listed in Exhibit L of the RFP, including, but not limited to, applicable sections and subsections of Texas Administrative Code, Texas Human Resources Code, DFPS services handbooks, DFPS and Single Source Continuum Contractors (SSCC) contracts, and other materials that specify licensing, safety, oversight, and quality standards. The PCG project team examined pertinent materials regarding HHSC’s current system for assigning weights to the Minimum Standards, including Exhibit M (Weighted Enforcement System) from the RFP. Additionally, PCG reviewed and documented HHSC and DFPS policies and procedures that clarify the roles and responsibilities of licensing, investigative, and contract oversight personnel.

LITERATURE & PEER STATE REVIEW

To identify best practices for similar regulatory review initiatives, PCG conducted a literature review and nationwide scan of review procedures. PCG was unable to identify states currently undergoing regulatory reviews and potential regulation reductions directly related to residential child care. However, PCG

examined states that have undergone regulatory reviews for similar programs in the past and identified common components of these initiatives.

PCG also conducted peer state research by reviewing states’ residential child care standards, guidelines, and processes related to licensing. Information gained from the research was used to help inform PCG’s recommendations. Each states’ standards and processes are different and policy requirements differ from state to state and within states. Therefore, information obtained from this research was used as a general guide for PCG’s recommendations rather than specific recommended components for HHSC/DFPS to adopt.

BUSINESS PROCESS REVIEW

PCG conducted a comprehensive review of the regulation and oversight processes for both HHSC and DFPS. This included several steps such as review of documentation, development of business process maps, and facilitation of focus groups with key state and region-level staff within each agency.

Ideally, the functions of licensing, contract and child oversight, and investigations should be linked, with information shared between functions, eliminating both gaps and duplication in the processes, and creating a continuous improvement cycle. In practice, this doesn’t always happen, due to data sharing challenges, lack of clarity around roles and responsibilities, and/or conflicting and duplicative standards. At its best, this can lead to duplication of effort, undue burden on providers and potential resource families, and at its worst, it can result in gaps in processes that lead to child safety issues.

In this review, PCG mapped the functions of agencies and departments involved with residential child care regulation and oversight to identify areas to streamline activities, reduce duplication, and enhance child safety. Specifically, this includes the following functions:

- HHSC Application and Licensing Process
- HHSC Inspections Process
- HHSC Investigations Process
- HHSC & DFPS Heightened Monitoring Process
- DFPS RCC Contract Procurement, Management and Monitoring Process
- DFPS CBC Contract Procurement, Management and Monitoring Process

As mentioned in the above Materials Review section, PCG leveraged the documentation reviewed during this workstream to understand the processes, roles, and responsibilities within HHSC and DFPS for residential child care regulation and oversight. The documentation review included the HHSC Child Care Regulation Handbook to understand the processes for licensing, inspections, and investigations; the heightened monitoring documentation provided by staff; and the DFPS Contract Handbook to understand the RCC and CBC processes for managing the contractual relationship. Using this information, PCG documented our understanding of the business processes involved by developing business process maps.

Next, PCG validated our understanding of the current processes by sharing the process maps with a small group of residential child care regulation and oversight personnel. After this phase of work, we finalized the process maps to visually depict the current oversight and licensing functions, noting areas of duplication as well as potential gaps and places for improvement.

TABLE 1. LIST OF INTERVIEWS AND FOCUS GROUPS FOR BUSINESS PROCESS MAP DISCUSSION

Date	Meeting Name
05/15/2024	DFPS CBC Contract Development & Management Focus Group #1
05/15/2024	DFPS RCC Contract Development & Management Focus Group #1
05/16/2024	HHSC Applications and Licensing Focus Group
05/16/2024	DFPS RCC Contract Development & Management Focus Group #2

Date	Meeting Name
05/17/2024	DFPS CBC Contract Development & Management Focus Group #2
05/17/2024	HHSC Inspections & Investigations Focus Group #1
05/17/2024	Interagency Heightened Monitoring Focus Group
05/20/2024	DFPS Child-Specific RCC Contract Development & Management Interview
05/21/2024	HHSC Inspections & Investigations Focus Group #2
05/24/2024	HHSC Inspections & Investigations Focus Group #3
06/03/2024	DFPS OCBCT Focus Group
06/11/2024	DFPS CBC & OCBCT Focus Group
06/20/2024	DFPS Child Care Investigations Focus Group
06/25/2424	DFPS Child Care Investigations Heightened Monitoring Focus Group

SURVEY

PCG conducted a survey of licensing, investigative, and contract management staff from HHSC and DFPS from Monday, May 6 to Wednesday, May 15, 2024. The thirty-one-question survey was distributed online to 349 identified staff (269 from HHSC and 80 from DFPS). Of the invited staff, 43 percent of HHSC (117 of 269) and 63 percent of DFPS (50 of 80) responded to the survey, for 167 respondents.

Refer to Appendix A: Survey Instrument for a listing of all 31 survey questions.

The survey asked respondents to identify their years of experience by category and to describe their experience. The average respondent's experience within the residential child care field was 3.5 years. The full breakdown is as follows, and shows that the majority of respondents had less than five years of experience:

- One or fewer years: 19%
- One to two years: 31%
- Three to four years: 30%
- Five or more years: 20%

For roles, licensing was most represented (62%), followed by contract management (28%), and few in investigations (2%). Investigations is a combination of self-identified licensing investigators and heightened monitoring investigators. The remaining respondents (8%) self-identified as program specialists, management, litigation, and background checks. In other words, the survey takers generally perform duties involving compliance, regulation, or oversight of CPAs and GROs.

The purpose of the survey was to gauge thoughts and sentiments regarding current rules and regulations governing residential child care to provide recommendations for how HHSC and DFPS may accomplish the following:

- Simplify and streamline standards to prioritize the health, safety, and well-being of children;
- Reduce barriers to hiring and retaining staff at residential child care operations; and
- Decrease barriers to attracting and retaining potential child placing agencies, residential child care facilities, foster families, kinship families, and adoptive families.

To this end, survey responses were analyzed for key themes and sentiments and for correlations to agency, role, and/or years of experience.

FOCUS GROUPS

Between May 22 and June 17, 2024, PCG conducted 16 focus groups with stakeholders impacted by residential child care regulation and oversight to help identify ways to simplify and streamline standards to prioritize the health, safety, and well-being of children; reduce barriers to hiring and retaining staff at residential child care operations; and decrease barriers to attracting and retaining potential child placing agencies, residential child care operations, foster families, kinship families, and adoptive families. Specifically, PCG facilitated listening sessions with the following stakeholder groups:

- DFPS Foster and Adoptive Home Development – 1 focus group
- Private Child Placing Agencies – 2 focus groups
- General Residential Operations – 4 focus groups (organized by services)
- Caregivers (Foster/Adoptive/Kinship Parents) – 3 focus groups (DFPS Foster and Adoptive Home Development and private CPA verified families)
- Single Source Continuum Contractors – 2 focus groups (organized by implementation stage)
- Operations licensed by HHSC providing RCC services outside of DFPS and SSCC contracts – 2 focus groups
- Texas Alliance of Child and Family Services – 2 focus groups (Board of Directors and Regulatory Committee)

PCG utilized random selection to identify a representative sample of invitees for each group whenever possible while also focusing on geographic representation from across Texas. PCG selected the CPAs and GROs to invite from the list of all licensed providers available through the Texas Open Data Portal. PCG worked with DFPS, the Texas Alliance for Child and Family Services, and private child placing agencies to identify staff, foster, kinship, and adoptive families to invite to focus groups. All active Single Source Continuum Contractors were invited to participate in one of the SSCC focus groups, and all operations identified by HHSC as being licensed and providing residential child care services outside of DFPS and SSCC contracts were invited to participate in one of the focus group sessions geared towards that audience.

Within this report, the term “statute” is used to denote codified laws (e.g., within Texas Human Resources Code and Texas Family Code); “rules” refer to administrative rules outlined in Texas Administrative Code; “standards” signify the Minimum Standards established in Texas Administrative Code, Title 26, Part I; and “requirements” generally refer to contract requirements established by DFPS for its contractors.

IV. FINDINGS

2.5.2 b. The final report must contain a complete account of all the information and findings from the assessment, as required by Senate Bill 593, Act of May 4, 2023, 88th Leg., R.S., § 1 (to be codified at Tex. Hum. Res. Code § 42.027) and in accordance with Section 2.3 (Conducting the Assessment).

The key findings from PCG's independent assessment are outlined below.

1. Standards and Requirements

- a. There are too many standards and requirements.
 - i. Many standards address documentation and administrative requirements that are not directly related to children's safety and health.
 - ii. There is duplication across the standards and requirements.
- b. Standards, policies, and practices are inconsistently interpreted and applied across staff and regions.
 - i. Some of the standards are vague, open-ended, or unclear.
 1. Imprecise standards should be updated for clarity (readability and comprehension); all Minimum Standards must be written in plain language.
 - ii. Some CCR personnel interpret HHSC policy differently regarding when TA is required and when citations are necessary during the application, sampling, and inspection processes, leading to inconsistencies in when TA is provided.
 1. Section 4100, Inspecting Child Care Operations, of the HHSC Child Care Regulation Handbook outlines policies around TA (4154) and when a deficiency can be corrected at inspection (4155); additional messaging and guidance on when and how to provide TA is needed.
 - iii. Providers appeal many citations they feel are unjustified, leading to additional administrative tasks for providers and HHSC.
 - iv. Some HHSC staff reported that the agency does not have standardized statewide instruments for inspectors to use.
 1. CCR maintains job aids (e.g., standard-by-standard and application) and tracking tools (e.g., CPA Checklist) for inspections (accessible via CCR SharePoint); additional messaging and training on the standardized tools and expectations around their use is needed.
 - v. Staff turnover within HHSC and DFPS contributes to the inconsistencies.
 1. Agency turnover impacts residential child care regulation and oversight activities, including interpretation of standards and requirements; workload and pay were cited as contributing factors to problems with retention.
 - vi. Perceived arbitrariness and inconsistency create fear and uncertainty among providers.
- c. Standards need to be updated to address contemporary issues, such as electronic communication and social media usage.
- d. Providers and caregivers (foster/kinship/adoptive families) find several rules and standards challenging to maintain.
 - i. One common difficulty is understanding the standards for accurate record-keeping, specifically documentation related to child placements and service plans.
 - ii. Standards related to Emergency Behavioral Interventions (EBIs), suicide prevention, child care, and adoption policies are also challenging for some providers and caregivers. Some of these standards are mandated by statute and essential for protecting children with unique and high-risk needs; increased training and technical assistance is needed to help providers and caregivers better understand them.

- e. Kinship caregivers often meet initial standards but struggle with additional standards for full licensure, causing dropout.
- f. Single Source Continuum Contractors are currently held to the Minimum Standards for child placing agencies (TAC Title 26, Part 1, Chapter 749) which doesn't fully align with the SSCC context and creates confusion in the interpretation and application of some standards.

2. Weighted Enforcement System

- a. There is a lack of consistency, clarity, and transparency in the weighting and enforcement of standards.
- b. The weights assigned to some standards do not accurately reflect the potential risk that violations would pose to children's health and safety, indicating higher concerns than necessary

3. Administrative Requirements

- a. Excessive documentation, including repetitive paperwork, unrealistic timeframes, and duplicative standards and requirements, detracts from care and relationship-building with children and creates stress and burnout for State staff, provider staff, and foster families.
 - i. Paperwork and documentation are often sent via email and may be lost due to staff turnover.
 - ii. Unmet documentation standards lead to citations unrelated to health and safety.
- b. Some CPA and GRO hiring requirements, such as the standards around obtaining a five-year work history (for those with a five-year work history), create staffing barriers for providers. This includes the time it takes for some background checks to be completed, which can delay hiring qualified staff. Some providers also reported that the standards for the required training for onboarding staff also create staffing barriers.
 - i. If no abuse/neglect or criminal history is found, in-state background checks typically take one to three business days to receive the results (after the background check is submitted).
 - ii. Out-of-state checks (sex offender, abuse and neglect, and criminal) often take more time based on the requirements and turnaround timeframes in other jurisdictions (which are outside of Texas' control).
 - iii. The five-year work history requirement only applies to applicants with five or more years of work experience.
- c. The administrative review process for addressing citations and concerns is slow due to the time involved in obtaining requested records and an insufficient number of Regulatory Enforcement staff to process requests.
 - i. DFPS Child Care Investigations is responsible for implementing safety plans for residential child care staff during investigations when needed.
 - ii. Investigations can result in staff suspensions. Delays in administrative reviews lengthen these suspensions, exacerbating staffing issues.

4. Provider Capacity and Retention

- a. The current enforcement environment, which is perceived as punitive, negatively impacts provider capacity and morale and contributes to difficulties retaining provider staff and foster families, resulting in decreased service availability for children.
 - i. Increased technical assistance and education regarding compliance for providers and residential child care staff are needed.
 - ii. Better communication regarding updates and changes and a shared understanding of the rules would help alleviate fears and burdens on potential and current caregivers.
- b. There is incongruence between how the current system is viewed between frontline State personnel and external stakeholders; the majority of HHSC and DFPS survey respondents agree with the current approach to the rules, regulations, standards, and weighting system.

- i. HHSC and DFPS leadership believe changes are needed to the current residential child care oversight system, including simplifying and streamlining regulations and requirements to prioritize the health, safety, and well-being of children.
- c. Foster parents often are confused between the various oversight activities, from HHSC inspections and random sampling to DFPS investigations.
 - i. Foster families find the random sampling process to be stressful.
 - ii. Fear of investigations and heightened monitoring creates anxiety and uncertainty among caregivers.
- d. The practice of issuing citations before licensure creates administrative work for the State and providers and slows down the licensing process.
- e. There is a need for separate, safety-focused standards for kinship and fictive kin homes.
 - i. The current standards do not adequately consider cultural norms, economic constraints, and unique kinship care dynamics.
- f. Residential child care provider staff members' and foster parents' fear of false accusations of abuse and neglect by the youth under their care and the resultant DFPS Child Care Investigations make it difficult for providers to recruit and retain qualified staff and caregivers.
 - i. Provider staff and caregivers are afraid of the impact that potential adverse investigation findings will have on their own families and their careers.
- g. Communication with CPS is challenging; families often feel uninformed and struggle to reach CPS workers. Caregivers reported better communication and collaboration with providers.

5. Coordination and Consistency between HHSC and DFPS

- a. HHSC and DFPS frontline staff, in their respective roles, do not always communicate the same messages about what is ok or allowable when addressing the same set of facts/circumstances around an identified issue (e.g., a CCR inspector identifies that a practice or circumstance is acceptable, but an RCM finds that it does not align with the contract, best practice, or child safety).
- b. DFPS and HHSC personnel do not always interpret policies the same way.
- c. Both HHSC and DFPS visit youth, families, and providers for various oversight activities, and there is often little coordination between frontline State personnel for these contacts, even when they involve similar incidents/allegations.
 - i. This can be burdensome for families and providers and can negatively impact normalcy for youth.
 - ii. HHSC and DFPS leadership expressed that coordination of these contacts is encouraged whenever possible to support trauma-informed care.
 - iii. It is important to note that there will always be instances in which coordinating contact between the various agencies and teams will not be possible, particularly in the realm of DFPS Child Care Investigations, due to the urgent need and mandated timeframes required for ensuring child safety when concerns are reported.

V. RECOMMENDATIONS

PCG puts forth the following recommendations based on the totality of data collected and analyzed for the 2024 Independent Assessment of Residential Childcare Rules, Standards, and Requirements in Texas. PCG's recommendations are outlined around the requirements for the final report detailed in Section 2.5.2, Deliverable No. 8, Final Report of RFP No. HHS0013928 and categorized by area of focus. The State of Texas may accept all, some, or none of these recommendations.

2.5.2 d. The final report must contain rationale for each recommendation made. If recommendations are based on other bodies of work, references for those works must be included in the report.

A rationale is provided under each of PCG's recommendations below as well as in the accompanying Excel workbooks which contain recommendations for each standard, rule, and statute related to residential child care regulation and oversight.

ENGAGE STAKEHOLDERS IN PLANNING AND IMPLEMENTING THE RECOMMENDATIONS

RECOMMENDATION 1: ENGAGE RESIDENTIAL CHILD CARE SYSTEM STAKEHOLDERS IN PLANNING AND IMPLEMENTING THE RECOMMENDATIONS FROM THIS ASSESSMENT (HHSC & DFPS)

There was not sufficient time to vet these recommendations with HHSC and DFPS and for many staff, this report will be the first time they have seen the proposed changes. Given the importance of child health and safety, PCG recommends a process led by HHSC and DFPS to finalize the list of standards for elimination.

Per Texas Human Resources Code Section 42.027, HHSC and DFPS must jointly work to implement the recommendations from this independent assessment. Engaging existing multidisciplinary residential child care stakeholder groups (HHSC and DFPS personnel, providers, families, etc.) in planning for implementation of the recommendations in this report will help HHSC and DFPS achieve buy-in and foster increased collaboration and transparency. PCG further recommends that HHSC and DFPS engage key stakeholder groups involved with and impacted by residential child care regulation and oversight at regular intervals (e.g., monthly or quarterly), during the implementation phases of the recommendations and in assessing the strategies' effectiveness thereafter.

SIMPLIFY AND STREAMLINE THE MINIMUM STANDARDS

2.5.2 e. The final report must contain recommendations for simplifying HHSC's Minimum Standards for the purposes of: (1) prioritizing the health, safety, and well-being of children residing in a Residential Child-Care Facility including an Agency Home or an Adoptive Parent; and (2) reducing any barriers to opening a Child Placing Agency, opening a Residential Child-Care Facility, a Foster Parent becoming a verified Agency Home, or a prospective Adoptive Parent being approved to adopt by a Child Placing Agency.

2.5.2 f. Recommendations for eliminating any Minimum Standards and rules that are weighted as low, medium-low, or medium in the Weighted Standards Document and are not directly related to child safety in TAC Title 26, Part 1, Chapter 745 (Licensing), Chapter 748 (Minimum Standards for General Residential Operations), and Chapter 749 (Minimum Standards for Child Placing Agencies).

RECOMMENDATION 2: STREAMLINE THE MINIMUM STANDARDS CONSISTENT WITH PCG’S RECOMMENDATIONS (HHSC)

In total, there are 5,462 citable standards across GROs and CPAs, including 383 Low, 943 Medium-Low, 1,823 Medium, 1,685 Medium-High, and 628 High-weighted standards. Non-compliance with any standard is considered a deficiency. This is overwhelming due to the high volume of standards, many of which extend beyond the health, safety, and well-being of children. Many states have fewer individual standards while still complying with federal requirements and setting minimum health and safety standards for licensed child care providers.

Each state’s and territory’s system is unique and governed by local rules and statutes, and an in-depth statutory analysis of each state’s minimum health and safety standards is not practical given the scope of and timeframes associated with this assessment. However, PCG examined the span of comparable standards for residential child care in other states by calculating the total number of pages of documents encompassing them and found that Texas’ minimum standards are more expansive than other jurisdictions.

The two PDFs that HHSC maintains for Texas’ standards for CPAs and GROs total 925 pages. In contrast, comparable standards in neighboring states are outlined in significantly fewer pages. For example, similar standards in Arkansas, Louisiana, Oklahoma, and New Mexico average approximately 200 pages. Of the states that PCG examined, California had the next most extensive scope of minimum standards behind Texas at 755 pages, and Michigan had the fewest with its standards for Child Placing Agencies and Child Caring Institutions comprising only 113 pages across the two PDFs outlining the respective standards. Texas’ standards should be unique to Texas, but these comparisons demonstrate that simplifying and streamlining standards is possible while prioritizing the health, safety, and well-being of children.

Licensing standards typically establish safety and program standards aimed at preserving health, safety, and individual rights. Other program or performance requirements are usually prescribed in policy documents, contract specifications, or contract management practices. For example, congregate care regulations typically include the components outlined in Table 2.

TABLE 2. TYPICAL COMPONENTS OF CONGREGATE CARE REGULATIONS

Category	Components
Physical Plant/Building & Grounds	<ul style="list-style-type: none"> ✓ Facility ✓ Exit (doors and lights) ✓ Food service/nutrition ✓ Sanitation; Safety
Staffing & Training	<ul style="list-style-type: none"> ✓ Staff ratios/levels ✓ Qualifications ✓ Background checks ✓ Training
Administration/Operating Policies	<ul style="list-style-type: none"> ✓ Personnel records ✓ Children’s records ✓ Grievances ✓ Incident reporting ✓ Admission and discharge policies ✓ Family involvement and visitation ✓ Mandated reporting ✓ Emergency preparedness ✓ Communication

Category	Components
Health and Medication	<ul style="list-style-type: none"> ✓ Medication management ✓ Medication logs ✓ Medical/dental treatment
Program Policies and Procedures	<ul style="list-style-type: none"> ✓ Developmentally appropriate program ✓ Behavior management ✓ Children's rights ✓ Assessment and service planning

In addition to licensing requirements, many states also collect additional data related to provider performance either for the purposes of responding to federal requirements or for managing contracts and services. These efforts tend to focus more on assessing the quality and effectiveness of services, rather than more strictly on issues of health and safety, which is the focus of licensing. Information gathered through any one element of the oversight process should inform the other(s). For example, as states have begun to collect data on restraints and seclusions, they have modified licensing standards to include provisions for behavior management policies that limit the use of restraint/seclusion and they have modified provider contracts and performance expectations to minimize use of restraints and seclusion.

Too much oversight, or oversight that is focused on the wrong things, can hinder safety because they take time away from focusing on what is important. For this reason, whether it is contract management or licensing/monitoring, there is a need to focus on what is most associated with safety, risk, and quality and a need to carefully define and coordinate oversight practices between oversight entities.

For the final report, PCG developed a Microsoft Excel workbook that lists all of Texas' minimum standards and PCG's recommendations for each (Attachment 1). PCG recommends that Texas update the minimum standards consistent with the recommendations detailed in Attachment 1. Table 3 below lists the various recommendations and corresponding justifications that PCG has included within Attachment 1 as well as the criteria used for assigning each.

TABLE 3. RECOMMENDATIONS FOR SIMPLIFYING AND STREAMLINING MINIMUM STANDARDS

Recommendation	Justification	Criteria
Maintain	Keep as is	Pertinent to child health and safety ¹ , clearly written (plain language, comprehensible by broad audience), and not duplicative.
	Definition	Definition that's clearly written and not duplicative.
	Weight of medium-high or high	Medium-High or High weighted standard that's clearly written and not duplicative.
Update for clarity	Adjust to improve readability, e.g., <i>"insert potential revisions to text."</i>	Pertinent to child health and safety but language is unclear or overly complex, hard for all relevant parties to understand.

¹ In assessing pertinence to child health and safety, PCG considered the commonly accepted definitions of safety (e.g. 40 TAC §707.451(a)(5)) and the federal protections for children in substitute care (e.g., requirements from Titles IV-E and IV-B of the Social Security Act) outlined in the Introduction of this report.

Recommendation	Justification	Criteria
	Similar to rule within chapter, e.g., "similar to Rule x, y, and z."	Similar to other rule(s) within same chapter of TAC; update language to address duplication.
	Significant overlap with another chapter	Similar to a rule from another chapter of TAC; update language to address duplication.
Consider for elimination from rule	Move to guidelines and/or technical assistance	Not immediate health and safety issue, but relevant for residential child care oversight and quality; consider moving to TA materials
	Move to policy or procedure	Not immediate health and safety issue, but relevant for residential child care oversight and quality; consider moving to agency policy/procedure
	Significant overlap with another chapter	Similar to a rule from another chapter of TAC; consider eliminating to remove duplication

Attachment 1 contains thousands of rows of text encompassing all the rules and standards in Texas Administrative Code, Title 26, Part I, Chapters 748 and 749. The workbook includes recommendations that a considerable number of these rules be considered for elimination, both to remove duplication within these Chapters and with TAC, Title 26, Part I, Chapter 745 (Licensing) and to move standards that are not immediate child health and safety issues but still relevant to residential child care oversight to HHSC policy and procedure. These adjustments will help HHSC prioritize the health, safety, and well-being of children in residential child care settings by providing a more manageable set of standards focused on the core issues needed to protect children.

Once HHSC has determined which recommendations to adopt, CCR will need to work with the Texas legislature to update Texas Administrative Code, Title 26, Part I, Chapters 748 and 749. The TAC will need to be revised to repeal any rules and standards that HHSC is eliminating or clarifying.

HHSC will also need to determine which standards being eliminated should be moved to policy or guidance. This will require a significant level of effort. For standards being moved to policy/procedure, HHSC will need to determine the specific sections of policy/procedure to which they'll be moved and how the agency will monitor and track compliance. The updated set of standards will need to reference these policies/procedures so that regulated entities know where to access them. PCG recommends that HHSC move away from the current question-and-answer format within TAC to simplify the regulations, instead listing the rules and standards as concisely as possible, similar to many peer states. HHSC will also need to update the Child-Care Licensing Automation Support System (CLASS) to reflect the revised standards, including the CLASS Risk Review module.

For those standards recommended for transition to guidelines/TA, PCG recommends that CCR maintain the guidance on a public-facing HHSC website for easy access. Ideally, the text boxes for technical assistance currently within the two PDFs that CCR maintains for the minimum standards for CPAs and GROs would also be moved to these TA documents (or the HHSC website), further streamlining the minimum standards.

Additionally, PCG recommends that HHSC develop a comprehensive guide for the updated minimum standards resulting from this study to help standardize interpretation. The guide should be created with input from State personnel and providers to enhance clarity and consistency, and regular training should be conducted for both inspectors and providers to promote uniform understanding and enforcement of the

standards. Specifically, initial training on the updated minimum standards should be provided to all pertinent HHSC Child Care Regulation staff and providers (including foster, adoptive, and kinship caregivers) once finalized, and then ongoing training should be provided whenever new standards are added or existing standards are updated and when inconsistencies in practice are identified (e.g. when HHSC recognizes inconsistent interpretations of standards by different inspectors, regions, etc.). CCR will need additional full-time equivalent (FTE) employees to accomplish this recommendation.

2.5.2 i. In developing recommendations for the final report, Contractor shall consider that some, but not all, children placed in Residential Child-Care Facilities require trauma-based services.

Children involved with the child welfare system have often experienced trauma because of adverse life events. Placement in foster care can exacerbate this trauma, resulting in complex emotions and challenging behaviors. All foster and adoptive parents, child placing agency, and residential program staff must understand trauma and be prepared to support children in their care with trauma-informed strategies.

As noted by the National Association for Regulatory Administration, “Licensing professionals need a shared understanding of trauma and the impact trauma has on the individuals they serve. Trauma-informed care views symptoms as adaptations to traumatic events and an avenue to understand what is driving a behavior versus making an assumption that the individual is being uncooperative”².

The Residential Child Care Project at the Bronfenbrenner Center for Translational Research at Cornell University notes that Trauma-informed residential settings require two trauma-informed setting-level systems: a Crisis Prevention and Management System and a Practice Model³.

- A Practice Model provides a framework for practice, based on a valid theory of how children change and develop, that motivates both children and staff to adhere to routines, structures, and processes minimizing the potential for interpersonal conflict. Without a clear framework for providing care, there are lost opportunities throughout the day to help children achieve developmental and treatment goals. The framework also provides consistency in message and approach with the children and congruency throughout the organization.
- A trauma-informed crisis prevention and management system identifies the roles and tasks as well as desired practices at all levels of the organization that, when implemented, create a consistent approach to crisis prevention and management within a nurturing, safe and predictable environment. The system should help organizations to prevent crises, de-escalate potential crises, manage acute behavior, reduce potential and actual injury to children and staff, teach children adaptive coping skills, and develop a learning organization.

Consistent with these principles, PCG viewed standards associated with the following items as important for safety, well-being, and program quality.

- Developmentally appropriate behavior management policies and procedures
- Documentation of clinical protocols
- Record/evidence of staff training related to behavior management and clinical protocols

2.5.2 j. The final report must contain recommendations for taking into consideration the model licensing standards recommended by the Administration for Children and Families of the United States Department of Health and Human Services.

² National Association of Regulatory Licensing, [Understanding How Trauma Weaves in to the Human Side of Licensing](#), 2018

³ [Creating Trauma-Informed Residential Settings](#). Residential Child Care Project, Bronfenbrenner Center for Translational Research, Cornell University

Included in the passage of the Family First Prevention Services Act of 2018, was a directive for the U.S. Department of Health and Human Services (DHHS) to identify reputable model licensing standards concerning the licensing of foster family homes. The Children’s Bureau issued ACFY-CB-IM-19-02 in February 2019, documenting proposed model licensing standards. The standards adopted by the Children’s Bureau are largely based on the national model standards developed by The American Bar Association Center on Children and the Law, the Annie E. Casey Foundation, Generations United, and the National Association for Regulatory Administration which were created after a comprehensive review of state foster family licensing standards.

The Children’s Bureau describes the model licensing standards as follows, “they cover the essential components of licensing a foster family home to ensure: 1) the applicant has the capacity to care for a child in foster care, and 2) the physical home of the family is appropriate and safe for a child in foster care...and strike a balance between allowing for individual circumstances while establishing minimum requirements.”⁴

The Children’s Bureau’s national model foster family home licensing standards are described in Table 4 below.

TABLE 4. NATIONAL MODEL FOSTER FAMILY HOME LICENSING STANDARDS

Standard	Description
Foster Family Home Eligibility - Threshold	Threshold requirements for licensing a foster family home include: 1) age (must be 18 or older), 2) financial stability (must be able to make timely payments for shelter, food, utilities, clothing, and household expenses), 3) ability to communicate with the child , agency, and providers, and 4) literacy (at least one applicant in the home must have functional literacy).
Foster Family Home Eligibility - Physical and Mental Health	All applicants must have recent physical exams that indicate that they can care for an additional child or children. Applicants must disclose mental health and substance use issues and provide a health history including history of mental health and substance use treatment. Children in the home and caretakers in the home must also meet vaccination requirements.
Foster Family Home Eligibility – Background Checks	Background check standards mirror the requirements under section 471(a)(20)(A) and (B)(i) of the Social Security Act which requires title IV-E agencies: 1) to perform criminal record checks (fingerprint-based checks of national crime information databases as defined in section 534(f)(3)(A) of title 28, United States Code) for any prospective foster parent, 2) to check any child abuse and neglect registry maintained by a state or tribe for information on any applicant and on any other adult living in the prospective foster family home, and 3) to request a check of any other child abuse or neglect registry in a state or tribe in which any such applicant or other household adult has resided in the preceding five years.
Foster Family Home – Home Study	Applicants must have a completed home study including at least one scheduled on-site visit, at least one interview with each household member (this can be replaced with observation for household members who may not be able to be interviewed due to age, disability, or other

⁴ [ACFY-CB-IM-19-01 \(hhs.gov\)](https://www.hhs.gov/acf/programs/child-care/child-welfare/2019-02-19-02)

Standard	Description
	factor), and multiple applicant references that attest to the capability of the applicant to care for the child.
Foster Family Home Health and Safety – Living Space	The living space standards are flexible in order to determine that the applicant’s dwelling (house, mobile home, housing unit, or apartment) includes basic essentials such as: adequate safe drinking water (which may include water from a municipal drinking source, a private well, or other source), properly operating kitchen facilities, a properly operating toilet, sink, and tub or shower, heating and/or cooling as required by the geographic area, consistent with accepted community standards and in safe operating condition; and, and a working phone (or access to a working phone in walking distance).
Foster Family Home Health and Safety – Condition of the Home	The applicant’s home, grounds, and all structures on the grounds of the property must be properly maintained in a clean, safe, and sanitary condition and in a reasonable state of repair within community standards. The interior and exterior must be free from dangerous objects and conditions, and from hazardous materials. The home must: have adequate lighting, ventilation and proper trash and recycling disposal, if recycling is available; be free from rodents and insect infestation, have proper water heater temperature; weapons and ammunition (separately) must be stored, locked, unloaded, and inaccessible to children; pets must be vaccinated in accordance with state, tribal and/or local law; and have conditions that prevent the child’s access, as appropriate for his or her age and development, to all medications, poisonous materials, cleaning supplies, other hazardous materials, and alcoholic beverages. Swimming pools, hot tubs, and spas must meet additional safety requirements.
Foster Family Home Capacity	The total number of children in foster care in a foster family home must not exceed six consistent with section 472(c)(1)(A)(ii)(III) of the Social Security Act. Per section 472(c)(1)(B) of the Act, the number of foster children cared for in a foster family home may exceed this number at the option of the title IV-E agency to allow a parenting youth in foster care to remain with the child of the parenting youth; to allow siblings to remain together; to allow a child with an established meaningful relationship with the family to remain with the family; and/or to allow a family with special training or skills to provide care to a child who has a severe disability.
Foster Family Home Sleeping Arrangements	Applicants must provide a safe sleeping space including sleeping supplies, such as a mattress and linens, for each individual child, as appropriate for the child’s needs and age and similar to other household members. Foster parents must not co-sleep or bed-share with infants.
Emergency Preparedness, Fire Safety, and Evacuation Plans	The applicant must have emergency preparedness plans and items in place as appropriate for the home’s geographic location. The applicant’s home must have at least one smoke detector on each level of occupancy of the home and at least one near all sleeping areas; have at least one carbon monoxide detector on each level of occupancy of the home and at least one near all sleeping areas; have at least one operable fire extinguisher that is readily accessible; be free

Standard	Description
	of obvious fire hazards; have a written emergency evacuation plan to be reviewed with the child and posted in a prominent place in the home; maintain a comprehensive list of emergency telephone numbers, including poison control, and post those numbers in a prominent place in the home; and maintain first aid supplies
Transportation	Applicants must ensure that the family has reliable, legal and safe transportation. Reliable transportation includes a properly maintained vehicle or access to reliable public transportation; if a privately-owned vehicle owned by the applicant's family or friends is used to transport the child in foster care, legal transportation includes having a valid driving license, insurance and registration; and safe transportation includes safety restraints as appropriate for the child
Training	Applicants must complete pre-licensing training on: rights, roles, responsibilities and expectations of foster parents; agency structure, purpose, policies, and services; laws and regulations; the impact of childhood trauma; managing child behaviors; first aid (including cardiopulmonary resuscitation (CPR) for the ages of the children in placement) and medication administration; and the importance of maintaining meaningful connections between the child and parents, including regular visitation. Foster parents must participate in ongoing training to receive instruction to support their parental roles and ensure the parent is up to date with agency requirements.
Foster Parent Assurances	Applicants will not use corporal or degrading punishment, will not use any illegal substances, abuse alcohol by consuming it in excess amounts, or abuse legal prescription and/or nonprescription drugs by consuming them in excess amounts or using them contrary to as indicated. Additionally, applicants and their guests will not smoke in the foster family home, in any vehicle used to transport the child, or in the presence of the child in foster care and applicants will adhere to the title IV-E agency's reasonable and prudent parent standard per section 472(c)(1)(A)(ii)(I) of the Act

Many of Texas' current standards go beyond the model licensing standards and may limit opportunities for approving and retaining family foster homes for children. Where a standard related to foster family home approval exceeds the Children's Bureau's model licensing standards in a way that does not clearly link to immediate child health and safety, PCG recommends moving those standards to policy or considering them for elimination.

2.5.2 m. The final report must contain recommendations for providing maximum flexibility in applying standards to ensure that services are provided in response to the needs of each individual child residing in a Residential Child-Care Facility, including an Agency Home or an Adoptive Parent.

RECOMMENDATION 3: ADOPT SEPARATE VERIFICATION STANDARDS FOR RELATIVE AND KINSHIP FOSTER FAMILY HOMES (HHSC)

The U.S. Department of Health and Human Services, Administration for Children and Families published a [new rule](#) on September 28, 2023, that permits title IV-E child welfare agencies to adopt kin-specific foster care licensing or approval standards for kinship foster family homes and encourages them to limit

those standards to federal safety requirements. This final rule confirms revisions to the definition of “foster family home” proposed in the February 2023 Notice of Proposed Rulemaking (NPRM). Effective November 27, 2023, title IV-E agencies may claim title IV-E federal financial participation (FFP) for the cost of foster care maintenance payments (FCMP) on behalf of an otherwise eligible child who is placed in a relative or kinship licensed or approved foster family home when the agency uses different licensing or approval standards for relative or kinship foster family homes and non-relative/non-kinship foster family homes. The State should engage with stakeholders, including kinship caregivers, child welfare experts, and cultural advisors, to adopt and implement the kin-specific standards HHSC has been developing (before the initiation of this independent assessment). After HHSC has decided which kin-specific verification standards to permanently adopt, CCR will need to work with the Texas legislature to update Texas Administrative Code. Additionally, HHSC will need to update CLASS to reflect the changes.

RECOMMENDATION 4: ADDRESS THE GAP IN STANDARDS FOR SINGLE SOURCE CONTINUUM CONTRACTORS (HHSC & DFPS)

The Single Source Continuum Contractors are currently held to the Minimum Standards for child placing agencies (TAC Title 26, Part 1, Chapter 749). However, under their SSCC contract, they do not operate as a child placing agency, as they are a unique type of provider with different functions from CPAs. This creates confusion in the interpretation and application of the standards by the SSCCs, HHSC, and DFPS. Additionally, stakeholders described inconsistency in the interpretation of the standards between HHSC personnel, with separate CCR staff interpreting the same standard differently. Varying interpretations of minimum standards and inconsistent guidance on technical assistance result in some providers getting cited for deficiencies on issues for which other providers are not.

At a minimum, additional training and formal guidance are needed on how to apply the minimum standards within TAC Title 26, Part I, Chapter 749 and other regulations and contract requirements to Single Source Continuum Contractors. Longer term, HHSC should explore the potential for developing distinct standards for SSCCs, establishing a new Chapter specific to Single Source Continuum Contractors in Part I of Title 26 of Texas Administrative Code or updating existing standards. Creating separate standards tailored to the unique functions of SSCCs would reduce redundancy and administrative workload and improve consistency and efficiency. Texas is in a unique position with the implementation of Community-Based Care and Texas Child-Centered Care, and the State should plan forward, updating the standards for SSCCs with the future state in mind. To develop a longer term plan, the State should consider:

- Are statutory changes necessary to give HHSC the authority to create a new Chapter of rules for SSCCs?
- Is a new Chapter specific to SSCCs needed in TAC Title 26, Part I?
- Do any current rules need to be updated or new rules added to Chapter 749?
- What additional training or technical assistance is needed?

WEIGHTED ENFORCEMENT SYSTEM

2.5.2 g. The final report must contain recommendations for adjusting HHSC's system for assigning weights to Minimum Standards and rules in Title 26 of the TAC Part 1, Chapter 745 (Licensing) to ensure the system is methodical, consistent, and reflective of a strategic model for increasing the focus on the health, safety, and well-being of children residing in a Residential Child-Care Facility including an Agency Home or the home of a Relative Caregiver or an Adoptive Parent. The report must include an explanation of the recommended adjustments to HHSC's system for assigning weights to Minimum Standards and rules in Title 26 of the TAC Part 1, Chapter 745 (Licensing).

2.5.2 h. The recommendations in the final report must consider the potential impacts to the HHSC Weighted Enforcement System (see Exhibit M, Weighted Enforcement System) and the overall regulatory functions of HHSC.

Texas' current Weighted Enforcement System (WES) was implemented in November 2008 to support consistent regulation across child care operations. When WES was implemented, weights were initially assigned to each standard and rule based on recommendations from a panel comprised of child care licensing experts, providers, and other stakeholders. Since then, CCR has assessed the weights assigned to standards during the comprehensive assessment mandated by Texas Human Resource Code 42.042 every six years and when amending rules and minimum standards. After inspections and investigations, the CLASS Risk Review module automatically runs to make an objective determination of risk based on an algorithm that was developed by Dr. Pablo Martinez of Texas State University and considers the operation's history of violations, the weight of laws, rules, or minimum standards that were violated, and repetition of violations. Based on the value of the resulting calculation, which CCR staff cannot see, the CLASS Risk Review module creates recommendations for the operation's monitoring frequency and possible enforcement actions. CCR staff can then accept or change the recommended actions (with supervisor approval).

This is a modern, data-driven approach to licensing and enforcement activities. Weighted enforcement systems allow for more standard decision-making and targeted approaches. HHSC needs to establish and communicate a clearer and more transparent methodology for assigning weights to standards and for using the weights systematically to make decisions.

According to Dr. Richard Fiene and Karen Kroh, noted experts in human services licensing, "A licensing weighting/risk assessment system assigns a numerical score or weight to each individual licensing rule or section of a rule, based upon the relative health, safety and welfare risk to the consumers if a facility is not in compliance with the rule. The type of license issued is based on the sum of the numerical weights for each rule that is not in compliance"⁵. A weighted licensing system is intended to support a system in which licenses are issued with less than 100% compliance with all standards.

RECOMMENDATION 5: MODERNIZE THE WEIGHTED ENFORCEMENT SYSTEM (HHSC)

PCG recommends that HHSC take the following steps, prescribed by Fiene and Kroh, to assign weights to minimum standards and rules:

- 1. Develop a survey to collect risk assessment data.** The survey should contain each minimum standard (following the reduction of standards associated with this project) so that each survey participant can rate each standard from 1-8 based on risk to the health, safety, and welfare of children if the rule is not met (1 = least risk; 8 = most risk).
- 2. Distribute surveys.** Surveys should be distributed to a broad range of individuals including regulatory and oversight personnel, providers, residential child care staff, foster and adoptive parents, advocacy groups, and other professionals (e.g., health, sanitation, fire safety, medical, nutrition). Sampling methodologies can allow for greater weight to be given to child care regulation and oversight experts (e.g., CCR staff) than other survey participants and for representative sampling of staff.
- 3. Analyze survey data.** After all survey data are collected and analyzed, means or average weights for each standard should be calculated. When comparing mean weights across the survey participant groups, there should be a similarity in rating among the groups, supporting the use of the weights as a reliable measure of risk.
- 4. Apply the data to practice.** The mean and standard deviation of all weighted scores calculated should then be calculated. Fiene and Kroh recommend that if a final weighted score is no more than one standard deviation below the mean, a regular license should be issued. If a score is between one standard deviation below the mean and two standard deviations below the mean, a provisional license should be issued (the length of the provisional license will vary based upon the

⁵ Fiene, Richard and Kroh, Karen (2016). "Human Services Licensing Measurement, Regulatory Compliance and Program Monitoring systems" retrieved from [nara-chapter2.pdf \(rikoinstitute.com\)](#)

severity of the noncompliance), or intermediate negative sanctions should be administered. If a score is less than two standard deviations below the mean, no license should be issued, or a more severe negative sanction should be administered.

5. **Consider additional factors.** Before implementing the system, additional considerations should be incorporated into the system such as repeated violations from the previous licensing inspection, violations with high-risk items, and the discretion of the CCR staff to recommend variance from the weighting system.
6. **Review and revise.** Whenever minimum standards are amended, or at least every four to six years (consistent with Government Code [Sec. 2001.039](#) and Human Resources Code [Sec. 2001.039](#)), the weights should be recalculated, and the weighting system re-evaluated. Additionally, because weighted licensing standards have not been widely used in child welfare contexts, PCG recommends developing a continuous quality improvement process to monitor and adjust the system as needed, including comparing the quality of programs (through administrative data and contract management data) to licensing results.

The process above is similar in many ways to HHSC's current Weighted Enforcement System. However, key differences include the involvement of more people in the initial development of the weights and a system of calculating the final weighted score, and subsequent licensing and enforcement decisions, on a methodology that is more transparent than the current CLASS Risk Review algorithm. However, some discretion will always need to be afforded to CCR staff to make decisions and take action that varies from the weighting system. As the changes to the Weighted Enforcement System are adopted and the revised standards are assigned weights, HHSC will need to update CLASS to reflect the adjustments.

Following these updates, PCG recommends that HHSC develop and disseminate communication materials and facilitate initial and ongoing training on the revised Weighted Enforcement System for stakeholders to alleviate concerns about lack of transparency and confusion about how the weighting system works. Like the recommendations around simplifying and streamlining the standards, CCR will need additional FTEs to implement Recommendation 5 fully.

IMPROVE REGULATORY AND OVERSIGHT PROCESSES

RECOMMENDATION 6: DISCONTINUE ISSUING CITATIONS DURING THE APPLICATION/APPROVAL PROCESS (HHSC)

PCG recommends that HHSC terminate the practice of issuing citations to entities that are in the application/approval process. This practice adds to the administrative workload for both State and provider staff, is discouraging for providers, and unnecessary. At this stage, it would be most useful to provide technical assistance and reinforce the standards.

2.5.2 n. The final report must contain recommendations for eliminating duplicate functions and defining roles among HHSC and DFPS in the areas of licensing, investigating, contract oversight, and any other relevant regulatory activity identified in the assessment required by Section 2.3 (Conducting the Assessment).

2.5.2 o. The final report must contain recommendations for promoting transparency and clarity of HHSC and DFPS's expectations for Child Placing Agencies, Residential Child-Care Facilities including Agency Homes and Adoptive Parents.

RECOMMENDATION 7: EXPLORE WAYS TO COORDINATE HHSC AND DFPS VISITS WITH CHILDREN AND PROVIDERS FOR OVERSIGHT ACTIVITIES (HHSC & DFPS)

Further coordination between and within agencies will help to increase normalcy for youth and reduce the burden on providers. Between all the agencies and teams involved with residential child care regulation and oversight – from HHSC Child Care Regulation to DFPS Residential Childcare and Community-Based

Care Contracts to Residential Child Care Investigations – children and providers receive a lot of contact from the State, including many in-person visits. Each agency has its specific mandates and areas of focus, and each process has its timeframes with which agency personnel must comply. Some of these activities are time-sensitive to ensure children’s safety, such as abuse, neglect, and exploitation investigations, and therefore may not be coordinated between agencies. However, some activities, such as HHSC inspections and DFPS contract monitoring, are more routine and could potentially be coordinated in advance between the agencies. HHSC and DFPS should identify ways to better coordinate how providers are monitored, coordinating visits and safely streamlining contact with CPAs, GROs, children, youth, and caregivers (foster, adoptive, kinship families).

RECOMMENDATION 8: STRENGTHEN TRAINING AND TECHNICAL ASSISTANCE AROUND RESIDENTIAL CHILD CARE REGULATION AND OVERSIGHT (HHSC & DFPS)

HHSC and DFPS should develop comprehensive guides that interpret and standardize the application of all residential child care standards and contract requirements. Training should be provided initially, following the changes resulting from this assessment, and on an ongoing basis for all stakeholders. Joint training between licensing and oversight personnel (where appropriate based on roles/responsibilities) and providers could aid in relationship building and management and ensure that all audiences receive the same information. The training could also clarify for staff how to obtain guidance when there is confusion or conflict in the interpretation of standards, including reinforcing the supports available through the Minimum Standards Mailbox and State Office staff. HHSC should also provide additional messaging and training to CCR personnel on its standardized job aids and tracking tools, as some frontline staff reported that the agency does not have standardized statewide instruments for inspectors to use, despite the agency maintaining these on CCR SharePoint. Involving all levels of staff in these trainings, including program managers and supervisors, will be key for consistent messaging and implementation of the standards across the state.

It is important to note that CCR will need additional FTEs to fully accomplish this recommendation. For the initial training on the updated standards, CCR should consider using managers, executives, and other appropriate State Office staff to facilitate the trainings to supplement the agency’s training FTEs and further show leadership’s commitment to the changes and work towards strengthening collaboration and compliance. In the same vein, ongoing training efforts would benefit from the involvement of leadership and other State Office staff.

The State should also engage with providers to explore strategies for strengthening the technical assistance available to them. Stakeholders expressed a desire for HHSC and DFPS to develop and implement increased support mechanisms for providers, such as technical assistance and clearer guidance on what is required for compliance. It was suggested that HHSC should establish a supportive technical assistance unit to offer guidance and training and a system for real-time consultations with facilities during investigations to clarify potential issues before issuing citations. Perhaps if the recommendations in this report reduce the administrative requirements for state personnel, there may be additional capacity for technical assistance.

As standards are updated and Texas’ system continues to evolve with the implementation of T3C and CBC, the State should conduct a comprehensive review of the training required of residential child care providers to assess its adequacy and effectiveness, engaging State personnel, providers, and system stakeholders in the process. Following the initial review, the State should periodically re-evaluate its training requirements with representatives from these same stakeholder groups to ensure its continued efficacy.

2.5.2 k. The final report must contain recommendations for addressing any contracting requirements, licensing, training, or oversight requirements identified during the assessment, to be barriers to retaining high-quality Residential Child-Care Facilities including Agency Homes or Adoptive Parents.

2.5.2 I. The final report must contain recommendations for updating licensing standards for the purposes of prioritizing the health, safety, and well-being of children residing in a Residential Child-Care Facility including Agency Homes or an Adoptive Parent and reducing any barriers to the hiring and retention of high-quality leadership, administrators, and staff at Child Placing Agencies and Residential Child-Care Facilities.

In addition to streamlining the Minimum Standards, modernizing the Weighted Enforcement System, and improving regulatory and oversight processes, PCG recommends the following additional steps to reduce barriers to retaining high-quality residential child care providers and foster and adoptive families and to hiring and retaining high-quality residential child care staff and administrators at CPAs and GROs.

INCREASE AUTOMATION AND UPDATE TECHNOLOGY

RECOMMENDATION 9: INCREASE AUTOMATION AND THE USE OF TECHNOLOGY WITHIN RESIDENTIAL CHILD CARE REGULATION AND OVERSIGHT TO IMPROVE USER EXPERIENCE AND EFFICACY (HHSC & DFPS)

Manual and redundant processes, including the use of physical documents and duplicative documentation, add to administrative workloads and can detract from foster parents' and residential child care staff's ability to focus on the children under their care, contributing to burnout and turnover. Increasing automation and the use of technology in regulatory and oversight processes will help to reduce this high administrative load and improve the efficiency and effectiveness of these processes and user experience. However, increasing automation will likely require additional resources to pay for and maintain the technologies, and some responsibilities will shift to the SSCCs as Community-Based Care is implemented. Recognizing that funding is finite, PCG has proposed two options below: a basic level involving automating the application process for foster families and a more comprehensive centralized portal for applications, training, and ongoing communication.

Proposed Technological Solutions

OPTION ONE: ONLINE APPLICATION PORTAL ONLY

- A website to compile necessary paperwork and guide applicants through the process.
- Digitizes and streamlines the application process for prospective foster and adoptive families, increasing consistency between the various private CPAs and DFPS Foster and Adoptive Home Development.
- Simplifies applicant experience by populating multiple forms with a single input.
- Tracks applicant progress and provides time estimates for completion.
- Stores required forms and disclosures, allowing easy updates on application status.
- Captures potential applicants quickly when they express interest.
- Introductory videos on the portal to provide initial orientation information.

OPTION TWO: CENTRALIZED PORTAL

- A comprehensive portal for both applicants and current foster families.
- Enhances caseworker responsiveness, organized peer support, and effective training.
- Houses training videos and schedules video conferences and tracks completed and pending trainings.
- Provides a dashboard for accessing all training requirements and completion status.
- Facilitates organized peer support and respite care scheduling.
- Stores all information: applications, license renewals, clearance/background check due dates, training requirements, and respite care availability.
- Allows foster parents to submit expenses and receive timely payments.

Centralized, user-friendly technological solutions can significantly reduce the administrative workload for State staff, providers, and families. Additionally, automation has the potential to enhance provider compliance through additional reminders, decreasing non-compliance and enhancing federal reimbursement. Given that prospective caregivers currently apply through various private CPAs and DFPS Foster and Adoptive Home Development (FAD), the State will need to determine how best to accomplish this increase in automation, including as additional responsibilities are assigned to the SSCCs as CBC is fully implemented.

IMPROVE RECRUITMENT AND RETENTION OF FAMILIES AND RESIDENTIAL CHILD CARE WORKFORCE

RECOMMENDATION 10: IMPLEMENT TARGETED STRATEGIES FOR RETAINING STATE REGULATORY AND OVERSIGHT PERSONNEL, RESIDENTIAL CHILD CARE STAFF AND PROVIDERS, AND FOSTER, KINSHIP, AND ADOPTIVE FAMILIES (HHSC & DFPS)

State Personnel

High levels of turnover of HHSC and DFPS personnel involved with residential child care regulation and oversight contribute to inconsistent interpretations of rules, standards, and requirements, thus increasing the frustration amongst and burden on providers, residential child care staff, and families.

During the 88th legislative session, funds were appropriated by the legislature that enabled HHSC to focus on market rate adjustments for pay as one path for employee recruitment and retention. Recommendations for reducing barriers to hiring and retaining staff at residential child care operations fall within the scope of this study; therefore, PCG considered current and ongoing market rate adjustments as a factor to increase employee recruitment and retention. The 88th Texas Legislature authorized a cost of living adjustment (COLA) for state employees effective July 1, 2023. Classified employees base pay increased by five percent or 250 dollars per month, whichever was greater for the respective employee. An additional COLA was authorized for state employees effective September 1, 2024. Classified employees base pay increased by five percent or 250 dollars per month, whichever was greater for the respective employee.

Beyond the abovementioned COLA, streamlining regulations and standards and implementing the other recommendations outlined in this report stand to positively impact the work experience of licensing, investigative, and oversight personnel, thereby potentially increasing retention. HHSC and DFPS should continue to monitor employee retention after these recommendations are implemented. If turnover persists, then the agencies can consider conducting a separate turnover study, a focused inquiry into why there is turnover as well as mitigation strategies. If HHSC and DFPS staff continue to cite workload as a contributing factor to issues with retention, then the State could also consider conducting a workload study for residential child care regulation and oversight functions. This would involve identifying the tasks and responsibilities of pertinent staff, measuring the time spent on various activities, analyzing workload distributions and bottlenecks, and pinpointing strategies to improve efficiency and reduce administrative workload.

Provider Staff

The current oversight framework, which is perceived as adversarial and punitive, contributes to challenges with recruiting and retaining providers, residential child care staff, and foster, kinship, and adoptive families. Implementing the recommendations in this report should help address these issues, and stakeholders also suggested additional changes that are needed to improve recruitment and retention of staff for their organizations, such as:

- Adjusting hiring requirements to better match the available applicant pool; reevaluate and modify hiring requirements to include alternative qualifications, such as equivalency tests for those without a high school diploma
- Exploring ways to streamline the background check process and reduce delays for applicants with out-of-state history (e.g., formal and informal partnerships with peer states)
- Creating clear, role-specific training requirements, especially for remote employees; balancing mandatory training hours with practical job-related training to enhance staff skills; and offering additional flexibility in the timing of training completion
- Providing comprehensive guidance and support during the hiring process to alleviate applicants' fears and challenges.

Some of these requirements are outlined in statute and would require legislative action to change them. HHSC and DFPS should further engage stakeholders in exploring and addressing these concerns.

Foster, Kinship, and Adoptive Families

As part of the independent assessment, PCG was tasked with providing recommendations for addressing any contracting, licensing, training, or oversight requirements identified as barriers to retaining foster, kinship, and adoptive parents. While not fully related to the scope of this project, PCG received feedback from stakeholders regarding additional supports needed for families. To acknowledge the feedback provided by families who offered their insights and time to PCG, and to build on lessons learned in other states, PCG recommends that HHSC and DFPS continue to increase tangible supports for foster, kinship, and adoptive parents. Again, recognizing that resources are finite, PCG recommends that HHSC and DFPS engage caregivers in determining the most needed supports and engage with residential child care system stakeholders and the private sector in identifying the most efficient and effective means through which to provide them. Examples of tangible supports proposed by stakeholders and implemented in other jurisdictions include:

- **Child Care** – utilize subsidized child care, create/utilize foster parent support groups so that they can assist one another with respites.
- **Respite** – develop and fund respite care programs to give foster families temporary relief and reduce burnout.
- **Transportation** – provide additional transportation supports to foster parents, including utilizing DFPS staff to help transport children to visits and reimbursing mileage to appointments/visits.
- **Housing Assistance** – offer housing subsidies or grants to foster and kinship families who may need larger living spaces to accommodate additional children.
- **Educational Support** – offer tutoring services, school supplies, and educational assessments to help foster children succeed academically. Provide foster parents with training in advocating for children's educational needs.
- **Resource Centers** – establish additional community resource centers where foster families can access clothing, toys, books, and other items for children of all ages (e.g., CPS Rainbow Rooms).
- **Peer Support Groups** – facilitate peer support groups where foster parents can share experiences, offer advice, and provide emotional support to one another.
- **Ongoing Training** – offer regular, advanced training for foster parents on topics such as trauma-informed care, special needs, and behavioral management.
- **Online Resources** – create an online portal with resources, training materials, and support forums for foster parents to access at any time.
- **Digital Platforms** – create digital platforms for virtual training sessions, support group meetings, and consultations with experts.
- **Mobile Apps** – develop mobile applications that provide foster parents with quick access to resources, reminders for important appointments, and communication tools with caseworkers.
- **Caseworker Support** – ensure families have consistent, reliable access to caseworkers who can provide assistance and answer questions.

IMPLICATIONS

2.5.2 p. The final report must contain recommendations for legislative action necessary to implement Contractor's recommendations, including recommendations for retaining, repealing, or modifying existing state laws or rules or adopting new state laws or rules.

Once HHSC has determined which recommendations to adopt, CCR will need to work with the Texas legislature to update Texas Administrative Code, Title 26, Part I, Chapters 745, 748, and 749. The TAC will need to be revised to repeal any rules and standards that HHSC is eliminating and moving to policy and procedure or TA documents and modified for the rules and standards for which the language is being updated for clarity. In updating the standards, HHSC should move away from the current question-and-answer format within TAC, further streamlining the regulations by concisely listing the rules and standards. HHSC will also need to update the Child-Care Licensing Automation Support System, including the CLASS Risk Review module, to reflect the revised standards and changes to the Weighted Enforcement System. PCG has accounted for this work in the recommendation implementation plan outlined in this report. We do not anticipate that these changes will impact the overall regulatory and oversight functions of HHSC and DFPS.

HHSC and DFPS will need additional resources to fully implement all the proposed recommendations in this report, including additional staffing (e.g., to develop and facilitate the recommended trainings and technical assistance) and funding (e.g., to pay for new technologies). Each agency will need to determine the additional resources it needs to implement the recommendations and then explore how best to obtain them, including engaging the Texas legislature to explore supplementary FTEs and funding to implement the recommendations that include all aspects of recommendations related to technology and CLASS/ IT needs, policy, development of rules. Resource needs must be factored into final determinations regarding which recommendations to adopt. Implementation considerations for additional staffing may include program operations and regional operations, such as drafting policy and rules, curriculum development, training, updating and maintaining technology, strategic operations, and additional field staff (e.g., inspectors).

To help pay for the additional resource needs, PCG recommends that HHSC and DFPS explore revenue maximization strategies to support implementation of the recommendations, such as increasing federal revenue (e.g., Title IV-E, Medicaid) and use of public-private partnerships where appropriate. Title IV-E supports costs associated with licensing and may be a viable funding source to offset some of the resource needs.

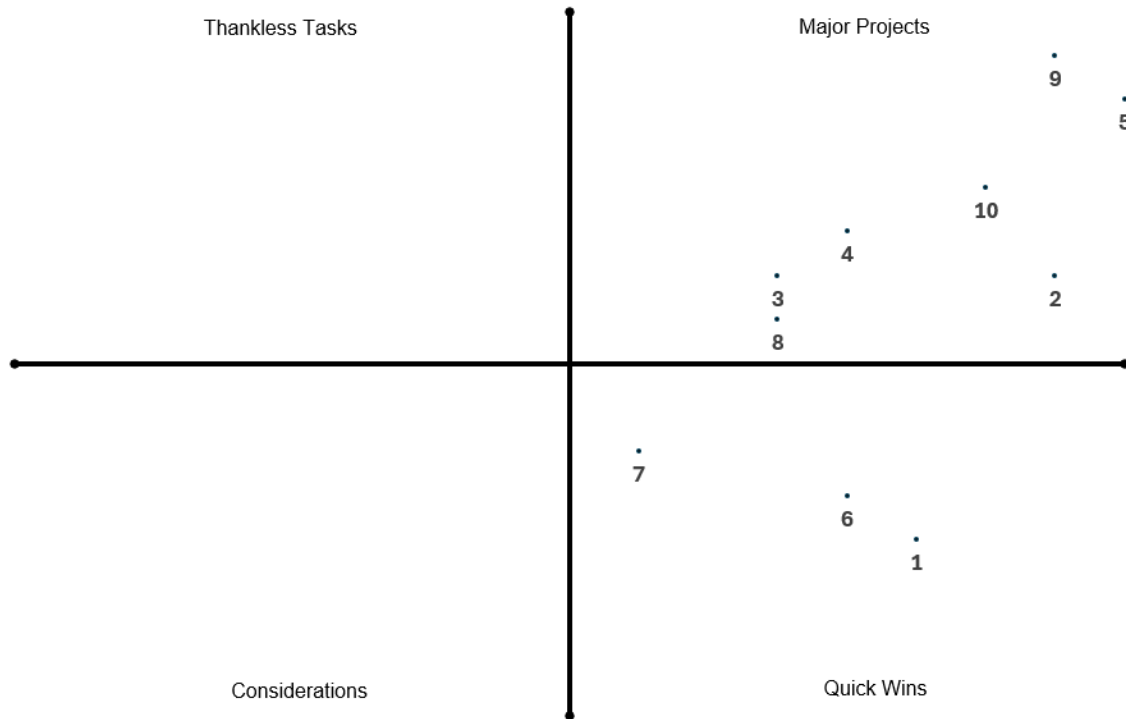
IMPLEMENTATION

2.5.2 q. The final report must include a recommendation implementation plan. The recommendation implementation plan must include the methodology utilized to identify recommendation implementation prioritization.

Ideally, PCG would have engaged the HHSC and DFPS project team and other stakeholders to prioritize the recommendations for implementation. However, given the tight timeframe for this project, PCG has developed this implementation plan without input from HHSC, DFPS, or any other stakeholders. This plan will need to be reviewed, revised, and refined by HHSC and DFPS prior to implementation.

To identify the recommended implementation prioritization, the PCG team identified a rating system of 1 to 4 for each of the recommendations for both ease of implementation and anticipated benefit. Based on the team's ratings, the recommendations included in this report are mapped into the quadrants below.

FIGURE 3: MATRIX OF IMPLEMENTATION PRIORITIZATION FOR RECOMMENDATIONS



The results of PCG’s ranking system are displayed in Figure 3. Those that fall in the “quick wins” quadrant were prioritized in the implementation below as they were ranked as highly beneficial while also being easier to implement than other recommendations. Progress on these can build momentum and buy-in for the larger projects. The implementation plan will ultimately need to be refined based on the recommendations that HHSC and DFPS decide to move forward and is subject to change based on staff capacity, competing priorities, and emerging opportunities and challenges.

The following includes a prioritization of the recommendations based on the quick wins and major projects quadrants. They can broadly be categorized as near-term, mid-term, and longer-term efforts.

Near-Term Recommendations

As noted above, recommendations ranked as “quick wins” were prioritized for implementation to build buy-in and momentum for the larger projects.

- 1. Engage stakeholders in planning and implementing the recommendations from this assessment.
- 6. Revise and/or eliminate citations during the application/approval process.
- 7. Explore ways to coordinate HHSC and DFPS visits with children and providers for oversight activities.

Mid-Term Recommendations

The next step in implementation is all recommendations related to the HHSC minimum standards and Weighted Enforcement System, including updates for the SSCC providers and kin-specific rules.

2. Streamline minimum standards consistent with PCG’s recommendations (and HHSC and DFPS final decisions).
3. Adopt kin-specific verification standards for relative and kinship foster family homes.
4. Address the gap in standards for Single Source Continuum Contractors.
5. Modernize the Weighted Enforcement System.

Longer-Term Recommendations

The final phase for implementation are those recommendations that are dependent on the changes to the standards and weighted enforcement system made above, and/or not directly tied to the licensing and oversight process.

8. Strengthen training and technical assistance around residential child care regulation and oversight.
10. Implement targeted strategies for retaining State regulatory and oversight personnel, residential child care staff and providers, and foster, kinship, and adoptive families.
9. Increase automation and the use of technology within residential child care licensing and oversight to improve user experience and efficacy.

Plan Summary

The implementation plan is organized by recommendation based on the rankings in Figure 3 and the broad phases described above. Under each of the recommendations are high-level key action items. Each of these action items are shaded across fiscal years throughout the Texas SFYs of September 1, 2024 to August 31, 2028 based on proposed implementation timing.

Recommendations	FY25	FY26	FY27	FY28
Engage stakeholders in planning and implementing the recommendations (Recommendation 1; HHSC & DFPS)				
Finalize recommendations to move forward and discuss with Texas legislature				
Develop communication materials and distribute to stakeholders				
Engage stakeholder groups (monthly or quarterly) to support implementation				
Revise and/or eliminate issuing citations during the application/approval process (Recommendation 6; HHSC)				

Recommendations	FY25	FY26	FY27	FY28
Modify policies and procedures and develop standardized technical assistance tools to utilize in lieu of citations				
Communicate changes to all stakeholders, provide training as necessary				
Explore ways to coordinate HHSC and DFPS visits with children and providers for oversight activities (Recommendation 7; HHSC & DFPS)				
Develop a short-list of viable procedural modifications to ensure safety and regulatory compliance while reducing the frequency of regulatory staff visits				
Document and communicate the planned modifications				
Develop pilot implementation plan				
Begin pilot on agreed-upon modified procedures				
Monitor pilot implementation				
Codify any changes into existing standards and/or policies and procedures				
Streamline minimum standards consistent with PCG's recommendations and HHSC decisions (Recommendation 2; HHSC)				
Secure funding and staff to implement new standards and requisite training				
Adopt recommended modifications to Ch. 745, Ch. 748, and Ch. 749 from PCG final report.				

Recommendations	FY25	FY26	FY27	FY28
Update CLASS to reflect revised standards				
Apply modifications to policy and update relevant procedures.				
Develop a comprehensive training guide, desk tools, and standardized decision-making tools for staff and stakeholders, as applicable.				
Develop monitoring and compliance policy				
Train staff and stakeholders on the updated minimum standards implemented from this assessment.				
Adopt kin-specific verification standards for relative and kinship foster family homes (Recommendation 3; HHSC)				
Draft kinship-specific standards				
Incorporate kinship-specific standards in HHSC licensing.				
Update TAC and CLASS to reflect new kin-specific standards				
Develop communication materials and distribute through various channels statewide.				
Develop training materials and train both staff and relevant stakeholders on the new kin-specific standards.				
Address the gap in standards for Single Source Continuum Contractors (Recommendation 4; HHSC & DFPS)				

Recommendations	FY25	FY26	FY27	FY28
Convene a group of HHSC licensing staff and DFPS CBC staff to provide guidance on how to apply the current minimum standards to Single Source Continuum Contractors				
Develop and deliver training and guidance				
Explore feasibility of drafting minimum standards for SSCCs				
Modernize the Weighted Enforcement System (Recommendation 5; HHSC)				
Secure funding and staff to implement new standards and requisite training				
Re-assign weights and update the WES				
Update CLASS				
Modify relevant policies and procedures to reflect updated WES.				
Develop training materials and train both staff and relevant stakeholders				
Strengthen ongoing training and technical assistance around residential child care regulation and oversight (Recommendation 8; HHSC & DFPS)				
Clarify current technical assistance policies and communicate and train staff and providers				
Secure funding and staff to provide ongoing training and technical assistance				

Recommendations	FY25	FY26	FY27	FY28
Develop ongoing training and technical assistance plan, taking into consideration available resources				
Update, conduct training on standardized statewide instruments to be used by licensing and oversight staff				
Implement modified technical assistance procedures and codify in policy				
Conduct ongoing training and technical assistance				
Implement targeted strategies for retaining State regulatory and oversight personnel, residential child care staff and providers, and foster, kinship, and adoptive families (Recommendation 10, HHSC & DFPS)				
Review concerns related to staffing barriers identified by provider agency staff during this study with existing provider stakeholder advisory groups (<i>Provider staff</i>)				
Decide on actions to address provider agency staff barriers and implement				
Review concerns for lack of tangible supports to caretaker families identified during this study with existing stakeholder advisory groups (<i>Families</i>)				
Decide on actions to address tangible support needs for caretaker families				
Assess impact of changes to standards on staff, provider,				

Recommendations	FY25	FY26	FY27	FY28
and family recruitment/retention				
Increase automation and the use of technology within residential child care licensing and oversight to improve user experience and efficacy (Recommendation 9, HHSC & DFPS)				
Complete cost-benefit analysis of proposed technical solutions (<i>i.e., Online Application Portal or Centralized Portal</i>) to determine the most appropriate solution)				
Identify and secure needed funding for IT solution implementation				
Develop implementation plan				
Implement and pilot technical solutions, taking into account available resources				

Recommended Next Steps

Best practices for action plans of this type include 1) aligning to other change initiatives, 2) establishing and using a governance structure for plan oversight and continuous improvement, and 3) closing the loop back to the people who helped develop the plan to acknowledge their contributions and solidify their continued engagement.

Align with Broader HHSC/DFPS Strategy

The first step in accomplishing the implementation plan above includes aligning the recommendations with the broader HHSC and DFPS strategic plans. PCG recommends cross-checking and aligning the recommendations and action items in this document and then combining them into a single HHSC/DFPS Strategic Action Plan that can be utilized for tracking, communicating about, and managing a full array of strategic change initiatives.

Develop Implementation Workplan

Next, transfer the implementation plan into a detailed workplan that identifies the agency, team and persons responsible for executing each of the recommendations and action items. The workplan should also include a set of dates for when each recommendation begins and the deadline for completion, note that the timeline above in the implementation plan is a recommendation and can be changed by HHSC and DFPS as they see fit. This tool can be used to track the progress of recommendations and organize

the robust array of action items and people responsible. Ideally, an implementation manager or implementation team is responsible for managing the workplan and uses the tool to facilitate ongoing check-in meetings with the implementation team and the various groups responsible for successful implementation of the recommendations.

Establish and Use Governance Structure and Process

PCG recommends putting a “governance structure and process” in place to enable HHSC and DFPS to maintain steady forward progress in plan implementation, identify lessons learned from implementation efforts, identify additional action steps toward the future state vision, and adjust plan priorities, staffing, and timing as needed. Based on change governance best practices, a change governance structure and process for HHSC and DFPS might look something like the following:

- **Governance Team** – The group responsible for effective implementation of this plan is the body ultimately responsible for ALL strategy setting and continuous improvement work across the agency.
- **Staff Support** – The Governance Team designates a staff member as **Change Lead** responsible for day-to-day oversight of plan implementation and support of initiative lead staff members. Initiative lead staff members are responsible for the day-to-day management of implementation and periodic reporting to the Governance Team on progress, impact, and lessons learned. This could include two staff members, one based in HHSC and the other in DFPS, who help coordinate and execute the plan across agencies.
- **Meeting Cadence – Quarterly**, HHSC and DFPS Senior Leadership meets in its role as the Governance Team to reflect on progress, impact and lessons learned from the past quarter and review priorities and staffing for the next quarter, engaging/communicating with other staff and partners as needed. Quarterly monitoring can take place during regularly scheduled meetings or during separate, dedicated meetings. **Annually**, HHSC and DFPS Senior Leadership meets in person as part of broader strategic change management work and agency planning to conduct a “look back - look ahead” process that involves reflecting on progress, impact, and lessons learned from the past year and identifying an Action Plan for the coming year.
- **Monitoring Tools and Inputs – Quarterly** inputs might include an at-a-glance “stoplight” report that summarizes the extent to which each action area is on track (green indicates items that are on track; yellow items that are at risk; red items that are off track) toward producing identified outputs/deliverables and generating desired impact. For each action area identified as either “yellow” or “red”, the Change Lead together with initiative lead staff provide the Governance Team with information about challenges faced and recommendations about how to proceed. **Annual** inputs might include feedback from staff, partners, and (where applicable) clients about the past year’s plan implementation and priorities for the coming year(s), as well as summarized reflections from staff directly involved in implementation work on what went well, what did not go as well, and recommendations for improvement. Annual inputs might also include any available quantitative and/or qualitative data on progress toward achieving desired impact.
- **Monitoring Outputs – Quarterly** outputs include updates to plan priorities, timing and staffing (if applicable), as well as remediation action plans for “yellow” and “red” action areas; **Annual** outputs include an Action Plan for the following year, as well as an updated multi-year plan for the entire change effort (if applicable).

Close the Loop with Staff and Partners, and Jump into Action

The teams across agencies will need to continue to draw on their insights, energy, and passion to make steady progress toward the future state vision. PCG recommends formally communicating this Plan to all contributors with a “thank you” for their contributions, a “call to action” to help turn the vision and plan in this document into action, and a formal launch of plan implementation.

VI. ACKNOWLEDGEMENTS

Public Consulting Group would like to thank the many State employees, GRO and CPA administrators, residential childcare staff, SSCC personnel, advocates, and foster, adoptive, and kinship families that contributed to the 2024 Independent Assessment of Residential Childcare Rules, Standards, and Requirements in Texas. PCG greatly appreciates the time and effort invested by the leadership and staff from the Texas Health and Human Services Commission and the Department of Family and Protective Services and by the Honorable State Senator Kevin Sparks and the Honorable State Representative James Frank and their staff. PCG also extends a sincere thank you to the staff and members of the Texas Alliance of Child and Family Services who provided invaluable input throughout the project. Each of these stakeholders contributed to the success of this comprehensive evaluation.

VII. APPENDIX

PCG has included two appendices within this report. Appendix A outlines the survey questions as of HHSC and DFPS personnel, and Appendix B lists examples of the questions asked of focus group participants. Additionally, consistent with Section 2.5.2, subsection r., Deliverable No. 8, Final Report (RFP No. HHS0013928), PCG has included the following attachments in the format specified below when submitting the final report:

1. A Microsoft Excel file divided by each Minimum Standard's subchapter with a list of each Minimum Standard and PCG's recommendation
2. A Microsoft Excel file with each applicable TAC Title 26, Part 1, Chapter 745 rule section with a list of each TAC rule and PCG's recommendation
3. A Microsoft Excel file with each applicable Texas Human Resources Code Chapters 42 and 43 statute with a list of each statute and PCG's recommendation; and
4. A Microsoft Excel file with DFPS's contracting requirements, SSCC requirements and Minimum Standards and information regarding duplication and a recommendation for each duplicated requirement

APPENDIX A: SURVEY INSTRUMENT

The following 31 questions were included within the survey of HHSC and DFPS personnel conducted between May 6 – May 15, 2024. The survey was administered online using Microsoft Forms.

1. I currently work for: (multiple choice)
2. My current role is: (multiple choice)
3. I have been in my current role for: (multiple choice)
4. Provide details of your years of experience within the residential child care field including any other positions held. (open field)
5. Is your workload manageable? (yes or no)
6. Please describe your workload in the field below. (open field)
7. On average, how often are you performing duties involving compliance, regulation, or oversight of child placing agencies and general residential operations? (multiple choice)
8. In your opinion, are Texas' rules and standards governing residential childcare effective in achieving their objective of preventing risk to and protecting children and youth? (Yes, No, N/A or I don't know)
9. If no, please explain your answer to Question 8. (open field)
10. In your view, are the rules in Texas Administrative Code Title 26, Part 1, Chapters 745 (Licensing), 748 (Minimum Standards for General Residential Operations), and 749 (Minimum Standards for Child Placing Agencies) clear and consistent (individually and with each other)? (Yes, No, N/A or I don't know)
11. If no, please explain your answer to Question 10. (open field)
12. In your view, are the rules in Texas Administrative Code Title 26, Part 1, Chapters 745 (Licensing), 748 (Minimum Standards for General Residential Operations), and 749 (Minimum Standards for Child Placing Agencies) consistent with other Texas statutes and requirements affecting residential childcare? (Yes, No, N/A or I don't know)
13. If no, please explain your answer to Question 12. (open field)

14. In your view, are Texas' rules and standards governing residential child care enforced as written? (Yes, No, N/A or I don't know)
15. If no, please explain your answer to Question 14. (open field)
16. In your view, are there too many rules and standards involving residential child care? (Yes, No, N/A or I don't know)
17. If yes, please explain your answer to Question 16. (open field)
18. If yes to the previous, in your ideal scenario, what percentage of rules/standards would be eliminated? (multiple choice)
19. In your view, is the current Weighted Enforcement System accurate in the risk it assigns to each standard and rule (e.g., Low, Medium-Low, Medium, Medium-High, High)? (Yes, No, N/A or I don't know)
20. If no, please explain your answer to Question 19. (open field)
21. When monitoring or auditing CPAs and GROs for compliance, regulation, or oversight does the Weighted Enforcement System help you to adequately identify potential risks to child safety? (Yes, No, N/A or I don't know)
22. Please explain your answer to Question 21. (open field)
23. Which rules/standards governing residential child care are least related to child health and safety? (open field)
24. How much do you agree that your agency's approach to compliance, regulation, and oversight is collaborative, relational, and incorporates input with the CPAs and GROs? (multiple choice)
25. How much do you agree that your agency's approach to compliance, regulation, and oversight is risk-averse? (multiple choice)
26. From your experience, are the CPAs and GROs you regulate clear on the information and/or evidence they are asked to provide and why? (Yes, No, N/A or I don't know)
27. If no, please explain your answer to Question 26. (open field)
28. Are there any rules or standards you believe need to be revised or updated? If so, please provide details. (open field)
29. Based on your experience, which rules and standards are most challenging for GROs, CPAs, and foster/adoptive families to maintain? (open field)
30. Which rules/standards are the biggest barriers to recruiting and retaining child placing agencies, RCC facilities, and foster/adoptive families? (open field)
31. Do you have any additional comments or suggestions you would like to provide? (open field)

APPENDIX B: FOCUS GROUP QUESTIONS

PCG developed and utilized facilitation guides tailored to the audience of each focus group. Each session was facilitated virtually via Microsoft Teams using a semi-structured and open-ended question format. The questions were used to guide the discussion, and follow-up questions were generated using the facilitators' discretion based on the responses given by participants. The following questions from the facilitation guide for private child placing agencies are illustrative of the types of questions asked of focus group participants.

Core Questions:

1. Which rules/standards governing residential child care do you feel are least related to child health and safety?
2. Which rules/standards need to be revised or updated based on clarity, consistency, etc.?
3. What issues exist around enforcement of the rules/standards/requirements (e.g., are they enforced as written, consistently, is there variation, are they confusing to enforce etc.)?
4. Which rules/standards/requirements are most difficult to maintain?

Recruitment and Retention:

5. Which rules/standards are the biggest barriers to recruiting and retaining foster and adoptive families? What barriers do you face in recruiting and retaining foster and adoptive families that you see as unique to CPAs?
6. Which rules/standards/requirements (or proposed changes) are the biggest barriers to hiring and retaining staff?

Administrative Resources:

7. What rules/standards/requirements (or proposed changes) do you find require the most administrative work (e.g., form completion, reporting/documentation, meetings, etc.)?
 - o Do any rules/standards/requirements (or proposed changes) present a conflict between meeting immediate administrative reporting requirements versus ensuring immediate safety protocols?
8. Do you find any administrative requirements duplicative (e.g., requirements to document the same events in multiple ways or by multiple staff)?
9. What kinds of supports/resources do you provide foster and adoptive families to help them stay compliant with rules/standards?

Closing Questions:

10. Of the information provided, what would you prioritize?
11. Is there anything else you wish to add that we have not already touched on?