



NEWS Bulletin

Redesign contract cancelled in Region 2/9

After only one year, Providence Service Corp. announced today the cancellation of the contract with DFPS as the Single Source Continuum Contractor (SSCC) in Regions 2/9. DFPS has stated that Foster Care Redesign will continue as planned in parts of Region 3, and a new contractor for Region 2/9 will be solicited. The cancellation follows serious problems Providence has run into while trying to coordinate services for foster children while making a profit at the same time. And as it has become painfully familiar, the announcement also follows the deaths of two foster children who were in a Providence foster home in Region 7.

\$2 MILLION DOLLARS IN THE RED

During a legislative hearing regarding Foster Care Redesign in April, testimony from advocacy groups revealed that Providence had already accumulated a \$2 million deficit as the SSCC. Testimony from TSEU and numerous organizations stressed the need to slow down the redesign process because of the limited oversight of private providers, the lack of accountability for private agencies, and the questionable financial ability of SSCCs to provide services. At the same hearing, Providence, DFPS, and ACH (the SSCC for parts of Region 3) testified about the need to speed up redesign. Commissioner Specia even surprised many by announcing that DFPS would begin the contract procurement process for two more catchment areas this summer.

SURPRISE?

The failure of Foster Care Redesign in Region 2/9 is only the latest privatization experiment to unravel, leaving services for vulnerable Texans in limbo. Providence walking away from the contract after one year clearly answers the question about whether a for-profit agency can provide quality services with the same inadequate funding provided by the Legislature. Providence's attempt at placing children closer to their own communities and improving outcomes and services, all with the same inadequate budget, didn't work in Region 2/9.

Services for foster children and foster parents have been underfunded for years. With Foster Care Redesign, for-profit or non-profit agencies are asked to use their private sector expertise to establish a foster care network and improve outcomes with the same inadequate resources provided by the state. Unlike DFPS, Providence can wash their hands of this impossible task and walk away from the contract.

WHAT'S NEXT

The goals of foster care redesign are clearly desirable. Getting there by completely privatizing the foster care system will not work. Instead of contracting with more private agencies and getting the same results, efforts to improve the foster care system need to address inadequate funding, accountability & oversight of private agencies and dangerously high caseloads. TSEU members will continue to fight to improve our agency and the services we provide to vulnerable Texans and to oppose privatization experiments that continue to fail.

WHAT TO DO

GET INVOLVED IN YOUR UNION - sign up a coworker and make the voice of state employees louder and stronger. The same decision makers, "experts", and consultants that promoted privatization are claiming we don't need a raise now. STAND UP AND MAKE A DIFFERENCE WITH TSEU!