FACTORS INFLUENCING THE RELATIONSHIP BETWEEN NONPROFIT CHILD

CARE PROVIDERS AND THE TEXAS DEPARTMENT OF FAMILY AND

PROTECTIVE SERVICES AS A PREDICTOR OF

POLICY OUTCOMES

by

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ABSTRACT

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Over the past 30 plus years, there has been a shift in public administration responsibilities from providing direct services to the complex functions of contract management. Public administrators must now perform functions across jurisdictional lines to accomplish the purposes of the state (Frederickson & Smith, 2003). Public administrators can no longer be concerned only with the functions of government but must accomplish their work through the private and nonprofit sectors as well.

The movement from the provision of direct services to the management of contracts is evident in Texas, where state legislators are working to privatize the state's child welfare services. More than ever, the Texas Department of Family and Protective

Services (TDFPS) must rely on a network of mostly nonprofit child care contractors to provide services to children in the conservatorship of the state of Texas.

This study tested the proposition that the relationships between the state agency funder and the contract provider would be characterized by the administrator of the contract agency either as supplementary, complementary, or adversarial (Young, 1998) depending on 1) child care provider agency characteristics, 2) child care provider agency financial characteristics, 3) child care provider agency administrator demographics, 4) child care provider agency administrator's opinion on the role of government, and 5) child care provider agency administrator's views on management. The study also tested the proposition that the relationship between the state agency and the contract provider has an influence on the provider agency's achievement of the policy goals of the state, as evidenced by their level of compliance with state minimum standards for child care.

The study found that structural elements including: 1) child care provider agency characteristics, 2) child care provider agency financial characteristics, 3) child care provider agency administrator demographics, 4) child care provider agency administrator's opinion on the role of government, and 5) child care provider agency administrator's views on management were not predictors of the agency's relationship with TDFPS, and the relationship was not a predictor of policy outcomes. The study finds that the social context, or the relationship, is more important than the structural factors. Implications for practice and theory development are discussed.

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CHAPTER 1

INTRODUCTION

1.1 Identification of the Problem

Before the trend of contracting out public services began in the United States in the 1970s, the work of public administrators was to provide direct services, but now includes activities relating to contract management. The shift in public administration responsibilities and the increased use of private contractors to provide traditional government services has transformed governance (Kettl, 1988), and public administrators must now perform functions across jurisdictional lines to accomplish the purposes of the state (Frederickson, 2003). Public administrators can no longer be concerned only with the functions of government but must accomplish their work through the private and nonprofit sectors as well. Since the mid 20th century, governments in western democracies have become "less hierarchical, more decentralized, and increasingly willing to cede their role as dominant policy actor to the private sector" (Kettl, 2000a as cited in Frederickson & Smith, 2003, p. 207).

Many public administration scholars hold a negative view of this change. In *Beyond Privatization,* Salamon (1989) argues that "third-party" government places the public sector in the position of operating by remote control. Milward and Provan (2000) contend that many federal bureaucracies and some state agencies are "hollow"

since their function has been changed from providing direct services to a role focused on shuffling papers, receiving bids and reports, and conducting evaluations.

Contracting is the most common privatization approach in the delivery of human services. Those advocating contracting out of services contend that this approach reduces costs, improves services, increases management flexibility, and decreases public monopoly inefficiencies (Kettl, 1993; Salamon, 1989; Savas, 1987). In a study of New York pubic and nonprofit managers, Van Slyke (2003) found that at times, privatization of social services is undertaken for politically symbolic reasons to demonstrate a commitment to smaller government and a commitment to private markets. Savas (1987) concluded that privatization is more a political than an economic act.

Contracting out has been the major vehicle for the privatization of child welfare services. In the 1990s, there was a major expansion in the privatization of child welfare services that continues today. A national survey found that in the 1990s, between 50% to 80% of states had increased their reliance on contracted social services as a way to deal with restraints of public resources (GAO, 1997). Critics of the privatization approach claim that privatization will not work because the child welfare system is chronically under funded with the results that caseloads are unrealistically high. In the critic's view, privatization will do nothing to alleviate these chronic systemic problems (McCullough, 2003).

In the environment of privatization of human services, administrators of both public and private agencies are challenged to coordinate efforts to achieve their

agency's goals. "Coordination is how leaders pull together widely disparate resources-money, people, expertise, and technology – to get thing done" (Kettl, 2000, p.7).

The Texas Department of Family and Protective Services (TDFPS) and its contract agencies serve as the context for this study because of the state's long history of contracting for services with child care agencies, and because the state is moving to further privatize its child welfare service. Texas is moving to privatize child welfare services that have traditionally been provided directly by the state with the stated purpose of improving the agency's efficiency and effectiveness in providing protective services for children. This change in structure would impact both the Texas Department of Family and Protective Services (TDFPS) and the network of nonprofit contract provider agencies.

The proposed restructuring is based on the principles of new public management that advocates the contracting out of traditional government services to private sector organizations to accomplish improved efficiency and effectiveness. TDFPS is one of several agencies under the umbrella of the Texas Health and Human Services Commission (HHSC). On July 2, 2004, Governor Rick Perry issued an Executive Order directing HHSC to review and reform the Child Protection Services (CPS) of the Texas Department of Family and Protective Services. This order came in response to several high profile cases where children under TDFPS supervision died in care.

On January 6, 2005, HHSC issued the agency's response to Governor Perry's Executive Order to reform child welfare services (Texas Health and Human Services

Commission, 2005). One of the major initiatives announced in the report was the plan to use "an independent administrator to secure and manage services in geographically defined areas" (p. 6). This statement formalized the decision to privatize child welfare services provided by the TDFPS (Center for Public Policy Priorities, 2005). In a policy brief issued by the Center for Public Policy Priorities, Scott McCowan (2005) analyzed the impact of privatization on the four major service areas provided by TDFPS: 1) investigations; 2) case management, which includes decision-making, coordination, and legal prosecution; 3) services to children and families; and 4) foster care and adoption services for children. The report concludes that:

> While advocates across the state are frustrated with CPS (TDFPS), day in and day out, CPS does much good work for children and families. Many of the problems CPS does have are directly related to a lack of resources, a problem privatization won't solve. We also need to keep in mind that we have 25,000 children in the legal custody of the state. It is these children who will suffer if an imprudent decision is made. When it comes to the care of children, Texas should proceed cautiously (p. 7).

The privatization proposal does not include contracting out the investigation services performed by TDFPS workers. The decision to remove children from their parents demands the authority of the state. A major rationale for privatization is to give the department more time for its investigation function by freeing TDFPS from its child placement responsibilities. The state would continue to make decisions on the removal of children from their parents and to initiate legal actions to terminate parental rights.

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The most controversial proposal is to privatize the case management functions of the agency. TDFPS currently provides case management services which include, deciding where children will be placed, treatment decisions, decisions to return a child to the parent's home, and the court work leading to an adoption or permanency plan, including preparing a case for termination of parental rights. This is controversial because it will use private contractors to perform functions that are traditionally performed through state authority. Under the privatization plan, these case management functions would become the responsibility of the "independent administrator." Senate Bill 6 defines an independent administrator as:

> "an independent agency selected through a competitive procurement process to secure, coordinate, and manage substitute care services and case management services in a geographically designed area of the state; and ensure continuity of care for a child referred to the administrator by the department and the child's family from the day a child enters the child protective services system until the child leaves the system" (TDFPS, 2006).

HHSC has stated that the privatization of case management services will: reduce duplication of public and private efforts; eliminate multiple case managers; increase community involvement; increase availability of services in underserved areas; improve the ability to link families with the most cost-effective services; increase accountability; and allow CPS (TDFPS) to focus on its "primary" mission (Texas Health and Human Services Commission, January 5, 2005).

Privatization of residential care, foster care, adoption services and family support services would have a lesser impact on nonprofit child care providers than the privatization of case management services. TDFPS currently contracts with private providers for parenting classes, counseling services, assessment services, and more. Likewise, TDFPS contracts with private agencies to care for about 75% of the children in foster care and residential treatment. The other 25% are served by foster homes licensed and supervised by TDFPS. In the 2005 fiscal year, TDFPS paid $321,546,396 to private child care provider organizations for over five million days of care for 25,000 children in the custody of the state of Texas (Texas Department of Family and Protective Services, July 2006).

The first phase in privatizing child welfare services in Texas was to be a pilot project in Region 8, which includes the city of San Antonio. A request for proposals, RFP, was issued to identify an independent administrator for the region (Texas Department of Family and Protective Services, April 4, 2006). The contract for the Independent Administrator was to be awarded on September 30, 2006. Two proposals were submitted, but a contract was not awarded. On October 6, 2006, TDFPS announced that it had indefinitely delayed issuing a tentative award for Independent Administrator Services for DFPS Region 8 (Retrieved from the web 06-04-07, http://www.dfps.state.tx.us/About/Outsourcing/).

The Texas Department of Family and Protective Services and the network of contract child care providers are dependent on each other on many levels. Each agency must be licensed by TDFPS, and the level of care that they can provide is dependent on

their license. The level of care for which the agency is licensed also determines the amount of reimbursement the agency receives for providing child care services for the state. The levels include: basic child care, emergency shelter, residential treatment, therapeutic camp, halfway house, child placing agency, child placing agency-adoption services, or institution serving mentally retarded children. Each licensed child care agency must adhere to the *Minimum Standard of Child Care* and those who do not can be sanctioned by TDFPS up to and including closing the facility. Administrators of the facilities must pass an exam and be licensed by TDFPS as a "licensed child care administrator."

The child care agencies are dependent on TDFPS for referrals of children and for the financial payments for providing care. The level of dependency varies greatly depending on the financial strength of the agency and its ability to serve children from other agencies or to accept children directly from families. TDFPS is dependent on the child care agencies to provide the care of children in the custody of the state and for the support of the agencies for legislation favorable to TDFPS.

1.2 Purpose

As states move to privatize human services, including child welfare services, it is important to understand the relationships between state agencies and private contract providers who will carry out the legislative mandates of the state. The purpose of this study is to examine the factors at work in the relationship between a government agency and the agencies with which it contracts. As states privatize functions traditionally performed by government, public administrators are called on to achieve their agency

goals through the relationships they form with contract agency administrators. Specifically, this study examines the type of relationship that each agency administrator perceives to have with the state agency and the factors that influence that relationship. This study also examines the level of policy compliance that each agency achieves and tests the proposition that there is a correlation between the type of relationships and the level of policy compliance.

To examine the larger questions of relationships and policy outcomes in contracting out arrangements, this study examines the current state of the relationship between TDFPS and the child care provider agencies to determine how these relationships impact the level of compliance with Minimum Standards of Child Care. Examining the strengths and weaknesses of the current relationship between the child care provider agencies and TDFPS will provide new insights into the issues that will need to be addressed in creating new relationships in a privatized environment (Emerson, 1962). While the study is limited to TDFPS and its contract agencies, the larger purpose of this study is to examine the dynamics at work in the contracting out of human services and the implications for theory, policy and practice.

1.3 Theoretical Perspective

The common denominator of all the theoretical concepts in this study is network theory. State development theory, governance theory, administration conjunction theory, new public management (public choice), and network exchange theory all draw from elements of network theory. The interplay of these theories provides the basis of a theoretical framework developed for the study. At the core of the framework is George

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Frederickson's theory of *Administration Conjunction* that conceptualizes the task of public administrators as the need to "synchronize governmental activities across jurisdictions that allow for the smooth functioning of policy and public service provision" (Frederickson, 2003, p. 223). In this view, public administrators function as diplomats across jurisdictional and sector lines. Public administrators can no longer rely only on the authority of the state and a hierarchical model to accomplish their goals but, instead, must develop patterns of cooperation and coordination across jurisdictional and sector lines. Public administrators function as diplomats to achieve the goals of the state. The relationships necessary to accomplish the diplomatic function are the core of this study.

1.4 Definition of Terms

Public Goods - "A public good is defined as one which is not subject to exclusion and is subject to jointness in its consumption or use" (Ostrom & Ostrom, 1977, p. 7). The protection of children from abuse and neglect is the "public good" under examination in this study. Child Welfare services provided directly by TDFPS and the contract child care agencies are considered to be involved in the provision of this public good.

Texas Department of Family and Protective Services (TDFPS) - is the child welfare system in Texas and is charged with protecting children, adults who are elderly or have disabilities living at home or in state facilities, and licensing group day-care homes, day-care centers, and registered family homes. There are 6,800 TDFPS

employees in more than 249 offices across the state. The department's annual budget was $904,289,778 in 2005.

Licensed Child Care or Child Placing Administrator - Chapter 43 of the Human Resources Code and Title 40 of the Texas Administrative Code require that a person not serve as an administrator of a child-placing agency without a Child-Placing Agency Administrator License and not serve as an administrator of a child care institution without a Child Care Administrator License.

To be eligible for a Child care Administrator License or Child-Placing Agency Administrator License a person must:

1. Submit three professional references from individuals who can attest to their work experience and competence as a child care administrator, or child-placing agency administrator.
2. Submit evidence of at least one year of management/supervisory experience in a residential child care institution, or a licensed child-placing agency.
3. Submit evidence of 1) Master's or Doctoral Degree or 2) a Bachelor's Degree and at least two years of full-time child care or related work experience. Pass criminal background and abuse/neglect central registry checks conducted by TDFPS and submit the required criminal history affidavit.
4. Pass an examination.

Residential child care operations -- All of the organizations in this study are residential child care operations. They may be referred to as: the contract agency, the

organization or the nonprofit agency. The agencies in the study are licensed by TDFPS in one or more of the following:

1. Foster Group Homes (Independent): An operation that personally provides care for 7 to 12 children up to the age of 18 years for 24 hours a day.

2. Emergency Shelter: An operation that provides short-term care (less than 30 days), for 13 or more children up to the age of 18 years for 24 hours a day.

3. Basic Child Care: An operation that provides care for 13 or more children up to the age of 18 years for 24 hours a day. The care does not include specialized care programs.

4. Residential Treatment Center: An operation that provides care and treatment for 13 or more emotionally disturbed children up to the age of 18 years for 24 hours a day.

5. Therapeutic Camp: An operation that provides a camping program for 13 or more children, ages 7 and older for 24 hours a day. It is designed to provide an experiential therapeutic environment for children who cannot function in their home school or community.

6. Operation Serving Children With Mental Retardation -- An operation that provides care for 13 or more children up to the age of 18 years for 24 hours a day. The children in care are significantly below average in general intellectual functioning and also have deficits in adaptive behavior.

7. Halfway House: An operation that provides transitional living services for no more than 24 children, ages 15 through 18 years for 24 hours a day. The purpose of this operation is to prepare older children for independent living.

8. Maternity Home: An operation that provides care for four or more minor and/or adult women and her children during pregnancy and/or during the six-week postpartum period for 24 hours a day.

9. Child Placing Agency (CPA): A person, agency, or organization other than a parent who places or plans for the placement of a child in an adoptive home or other residential care.

Reimbursement Rates: Currently, TDFPS reimburses residential child care operations at the following rates per child care day provided to children in TDFPS conservatorship.

Basic Child Care	$25.56 - $37.00 per day
Moderate Care	$35.97-$82.22 per day
Specialized Care	$46.25-$118.20 per day
Intensive Care	$82.22-$207.62 per day
Emergency Shelter	$96.61 per day

Monitoring Plan Level: All child care provider agencies are designated a monitoring plan (level I, II, or III) based on their compliance history (number of deficiencies).

Plan I- Inspections are made every three to five months. Plan I is used for operations that are too new to have established a compliance record, have

made inadequate attempts to correct deficiencies, or have repeated deficiencies that do not place children at immediate risk.

Plan II - Inspections are made every six to nine months. Plan II is used for operations that have a few deficiencies that do not place children at immediate risk and deficiencies are corrected on time.

Plan III - Inspections are made every 10 to 12 months. Plan III is used for operations that consistently comply with the minimum standards or whose deficiencies are few and are promptly corrected.

Network of Child Care Provider: The network of child care providers is defined as the licensed residential child care providers with whom TDFPS has a contract to provide out of home care for children in the custody of the state. The emphasis in the study is not the relationship between the individual child care providers but, rather, the relationship between each provider and TDFPS. The individual organizations gain legitimacy and access to resources through membership in the provider network (Provan & Milward, 2001).

Administrator's Characterization: This study assumes that the administrator's characterization of the relationship between her/his agency and TDFPS is an accurate description of the relationship as either supplementary, complementary or adversarial.

1.5 Significance of the Study

This study is important because it contributes to the theoretical body of knowledge on nonprofit, business, and government relations in the United States as a new "*social contract*" is being developed between the three sectors (Young, 1998).

The study will be important to TDFPS and the child care provider agencies in understanding the current child care provider agency network as they move toward privatization. Also, the study develops new knowledge concerning how a contract provider's financial strength or weakness, the resource mix (financial dependency), agency characteristics, and the administrator's characteristics impact the relationship between the contractor and the state agency. The study develops new knowledge on the role that network relationships play in the effectiveness of achieving policy goals through contract providers.

CHAPTER 2

THEORETICAL ORIENTATION

Public administration scholars have demonstrated an increased research interest in the relationships between government and the nonprofit sector. Van Slyke (2003 p. 298), states that most of the studies are "conceptual, prescriptive, and case specific rather than empirical and generalizable based on primary data collection." He does, however, identify twelve empirical studies and summarizes the findings as follows:

> There are several consistent findings across the empirical studies examining the government-nonprofit social service contracting relationship. These include a lack of competition, administrative capacity on the part of both actors-public and nonprofit-and performance measures; poorly defined and inadequately enforced accountability mechanisms; goal divergence between policies and implementation practices and procedures; and nonprofit dependence on public funds, which can lead to mission drift, deprofessionalization, and diminished service quality (p. 298).

O'Toole (1997) states that networks are becoming important contexts for public administration and require new approaches to address the traditional concerns of public administration therefore issues of efficiency, effectiveness, equity, responsiveness, and responsibility must be addressed outside the traditional hierarchal setting. He has

called for a public administration research agenda aimed at exploring administration at the intersection of related and well-defined policy fields. This study makes a contribution to this research agenda by exploring the relationships and policy outcomes in a network of a public agency and nonprofit contractors in a child welfare system.

2.1 Network Theory

Network Theory is the anchor for all the theoretical concepts in this study including: governance theory, administrative conjunction, new public management (public choice) and network exchange theory. Galaskiewicz (1996) characterized network theory as a "handmaiden theory" because it is most often used in support of other theories and is not often the subject of theory development in its own right. This handmaiden role is appropriate to describe the role of network theory in this study and its conceptual framework. It is the common denominator of all the theories, but network theory itself is not the focus of the study.

Network theory's contribution to all of the other theories in the study is that it attempts to capture the properties of social structure by examining patterns that exist between people, groups or positions (Turner, 2003) and helps explain the dynamics at work in these relationships. Several assumptions of network theory and analysis inform this study. These assumptions include: 1) Actors and their actions are viewed as interdependent units 2) relational ties (linkages) between actors are channels for transfer of "flow" of resources 3) network models focusing on individuals view the network structure environment as providing opportunities for, and constraints on, individual actions 4) network models conceptualize structure (whether social,

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economic, political, and so forth) as enduring patterns of relations among actors. Galaskiewicz and Wasserman, 1994, pp. xi-xvii).

Network theory is at the same time simple and complex. At the most basic level, it is simply the graphic representation of the connections between different individuals or groups. Each unit of the analysis, individual, group or organization, is represented by a point on the graph and then connecting lines indicate the relationships between each unit. Network theory, as related to political science and public administration, was developed to explain the complexity of policymaking when many divergent groups are invested in the policy outcomes. However, network analysis can also be a powerful tool for explaining interdependent relationships when government contracts out traditional services (Salamon, 2002; de Bruijn, 1997).

Critics of network theory propose that the theory does not capture many of the critical processes involved in social structures. "Power, hierarchy, differentiation, integration, stratification, conflict, and many other concerns of sociological theory have not been adequately reconceptualized in network terms" (Turner, 2003, p. 512). Exchange network theory (Emerson, 1964) attempts to take these additional processes into account and therefore will be used as one of the theoretical underpinnings for this study.

2.2 Exchange Network Theory

This study relies on the theoretical perspective of exchange network theory. In the 1960s Emerson (1964) sought to develop a theory of basic exchange. His resulting exchange network theory was a synthesis of behaviorist psychology and sociological

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network analysis. Emerson was more concerned with the forms of relationships among the actors rather than the properties and characteristics of the individual actors. Turner (2003) explains Emerson's core ideas as follows:

The key dynamics in Emerson's theory are 1) power, 2) power use, and 3) balancing. Actors have power to the extent that others depend on them for resources; hence, the power of Actor A over actor B is determined by the dependence of B on A for a resource that B values and vice versa. Dependence, the degree to which (a) resources sought from other actors are highly valued and (b) alternatives for these resources are few or too costly to pursue. Under these conditions, where B values A's resources and where no attractive alternatives are available, the B's dependence on A is high; hence, the power of A over B is high. Conversely, where B has resources that A values and where alternatives for A are limited, B has power over A. Thus, both actors can reveal a high degree of mutual dependence, giving each absolute power over the other and, thereby, increasing structural cohesion because of the high amounts of total or average power in the exchange relationship (p. 308).

Saidel (1991) used Emerson's (1964) exchange network theory to examine the relationship between public sector agencies and nonprofit service providers to determine how participants in the relationship perceive the nature of their association. Using a resource dependency framework (Emerson, 1964), Saidel interviewed nonprofit and state agency managers in New York State in four service areas including the arts, health, mental retardation and developmental disabilities, and human services. Saidel

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found the human services public agencies as perceiving the least dependence on the nonprofit sector and found the arts public agencies to be the most dependent. However, when examining the dependence of nonprofit organizations on public agencies for resources, the data indicated that regardless of the sector, the nonprofit organizations perceived that they were from 58% to 64% dependent of the state agency (Saidel, 1991).

Saidel found that public agencies and nonprofit organizations reported virtually identical overall resource dependence on each other. There were, however, some differences with the state agencies reporting more alternative suppliers of resources than the nonprofits perceived them to have. Nonprofits reported that public resources were less important to them than the state agencies perceived them to be. Saidel's study demonstrated that distribution of resource dependence between the state agencies and the nonprofits in the study were symmetrical or almost equally inter-dependent. She concluded that the activities of the nonprofit sector were not at the margins of the service system but were at the center of public services.

In the resource dependence theory view, a major task of the administrator is to manage their environments to gain the necessary resources for the agency (Schmid, 2000). The administrative task is to reduce dependence on the external environment and to increase the environment's dependence on the agency (Mizruchi & Galaskiewicz, 1993). In this study, according to resource dependence theory, the child care administrator's task is to decrease dependence on TDFPS and increase the dependence that TDFPS has on their agency for child care services.

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2.3 Young's Theory of Nonprofit/Government Relationships

While Saidel examined the level of interdependence between government and the nonprofit agencies, Young (1998) used exchange as the basis to explore the relationships between government and nonprofits. He observes that these relations in the United States are not one-dimensional but are complex and must be viewed on several different levels. In his view, economic theories support three views of government nonprofit relationships: supplementary, complementary, and adversarial. Young explains the three views as follows:

> In the supplementary model, nonprofits are seen as fulfilling demand for public goods left unsatisfied by government. In this view, the private financing of public goods can be expected to have an inverse relationship with government expenditure. As government takes more responsibility for provision, less needs to be raised through voluntary collective means.

> In the complementary view, nonprofits are seen as partners to government, helping to deliver public goods largely financed by government. In this perspective, nonprofit and government expenditures have a direct relationship with one another. As government expenditures increase, they help finance rising levels of nonprofit activity.

> In the adversarial view, nonprofits prod government to make changes in public policy and to maintain accountability to the public. Reciprocally, government attempts to influence the behavior of nonprofit organizations, by

regulating their services and responding to their advocacy initiative as well (Young, 1998, p. 33).

Young (1998) proposed that each of the conceptual lenses have prevailed at different times in the history of the United States. For example, he states that the adversarial lens helps to explain the early republic when the appropriate roles for the public and private sector were being developed. Likewise, from the mid to late twentieth century the adversarial lens can explain the relationships when government addressed the balance of power between government and private interests. The supplementary view is useful in explaining a time in the late nineteenth and early twentieth century when private interests took up the cause of social needs. The post World War II era can be viewed from the complementary lens as the time when government sought to respond to social needs without expanding its own bureaucracy (Young, 1998).

Young (1998) posits that the social contract between the three sectors is being re-written. His statements from the 1980s and 1990s are as relevant today as they were at the time they were written. In his view, the appropriate lens for this era is the supplementary lens because government is taking a passive, fiscally conservative role in providing public services while the private nonprofit sector is expected to develop new levels of private funding and volunteers to provide services. While he identifies the supplementary lens as the most appropriate to explain this era, he proposes that a complementary lens would facilitate development of collaborative efforts between government and nonprofit agencies working together to provide public services.

Finally, Young (1998) identifies some level of adversarial relationships between the sectors represented by legislators challenging the tax exemptions of nonprofit organizations and attempting to limit the voice of the nonprofit sector in policy formation. In this view, government not only retreats from the provision of services but also places barriers that limit the ability of private nonprofits to provide services (Young, 1998).

<div align="center">2.4 State Development Theory</div>

Traditionally, public, private, and nonprofit sectors have been viewed as three distinct entities with clearly defined functions. In this view, the private sector is the market and represents exchange; government, or public sector, represents authority; and the nonprofit sector is a mechanism for cooperation (Swanstrom, 1997). The development of these three sectors can be viewed in context of Richard Stillman's (1991) thesis that American's public administration theory has followed state development. He identifies this as "negative state, bold state and pre-state" (p.173).

In Stillman's (1991) view, the negative-state vision of public administration comes from two streams of thought. The first is the view of the monetarists who seek to allow natural adjustments in the marketplace by natural competition without artificial state controls. The second stream of thought is found in public choice theory. Theorists such as James A. Buchanan (1962), Gordon Tullock (1965), William A. Niskanen (1971), and others view government, not in political terms, but in economic terms where transactions between government and individuals are measured in monetary terms. The ideal role of government from the negative state perspective is: the

government that keeps a stable monetary policy, promotes slow economic growth in the money supply, and maintains open markets. Privatization is offered as the "answer" for avoiding bureaucratic interference in the free market.

Bold state advocates are those who seek to build public institutions for an energetic role throughout society and to promote and maintain the good life for citizens. These are the advocates for strong and effective government organizations to respond to various societal challenges and individual needs. The bold state vision is one of a national government in a leading role of central planning, coordinating, directing and implementing policy, and increasing overall institutional capacity to carry out public policies through government action. The emphasis of this approach is on the federal government more so than on state or local government.

The pre-state vision is characterized as the advocates of the middle ground. The nonprofit sector can be thought of as the middle ground in that it has appeal to both the negative state advocate and the bold state advocate. Pre-state advocates are centrists and realists who accept things as they are. This view is often criticized for not having a vision of what should be done to create an ideal state and good administration. A common thread of this approach is the articulation of a vision interconnected to the American constitutional framework by seeking to legitimize existing public administration in terms of constitutional principles. As legitimate actors in governance, public administrators are challenged to maintain the constitutional balance of powers as a means to protect individual liberties (Rohr, 1986).

Donald Kettl (1993) captures the essence of the pre-state vision in describing the different approaches to the study of public administration:

…different approaches to the study of administration usually come from one of two conflicting traditions in American politics-and each tradition leads to a very different perspective on the role of administration in American democracy. Some students of administration come to the subject with a fundamentally Hamiltonian bent. Like Alexander Hamilton, they seek vigorous state vested and a strong administrative apparatus. Other students of administration, however, are fundamentally Madisonians. Like Madison, they see a delicate balance of power as the best protection against tyranny. The competition of political interest, in their view, lessens the risk that bureaucracy can abuse individual liberty (p. 407).

The historical development of each sector accounts for the view of the three entities as separate and distinct. While the state development dynamics push the sectors apart, another force has moved them closer together. That force is new public management.

2.5 New Public Management Theory

A changing role of government has been evolving over the past 30 plus years based on the public's general disenchantment with government's increasing deficits, economic stagnation, and the perceived abuses in the welfare state. Together these factors have led to a less hierarchical, more decentralized government willing to turn traditional government function over to the private sector (Kettle, 2000a). Frederickson

and Smith (2003) identify common core elements of the various forms of this movement as: 1) adoption of market-based management and resource allocation techniques, 2) increased reliance on private sector organizations to deliver public services, and 3) a deliberate and sustained effort to downsize the decentralized government's role as the central policy actor in society (p. 208).

Each of these core elements is part of the movement to reshape the formal and informal connections between government and society. New public management (NPM) has changed the role of public administrators. This transformation can be seen at all levels of government as public administrators have attempted to become more entrepreneurial, more attuned to customer service, more innovative, and more willing to take risks. As actors in the policy process, public administrators not only respond to the political realities of NPM approaches, but attempt to influence policy reflective of NPM principles. The change in practice by public administrators is evidence that NPM has bridged the gap between public administration theory and practice (Frederickson, 2003).

The adoption of market-based management has attempted to implant the values and techniques of the private sector into the public sector by introducing competition into the market place. The NPM goal of downsizing and decentralizing the government's role has shifted many functions to both the private and the nonprofit sectors. Just as the dynamics of state development have applied pressures to the three sectors in an outward direction, the influence of NPM has exerted the opposite force by moving the functions closer together. It is the give and take of these two competing

pressures that provide opportunities for public administration to play a new and dynamic role in achieving the goals of the state.

The two major models on NPM are the Westminster model and the reinventing government model. The Westminster model began in New Zealand in the 1970s and then spread to Australia, Canada and the United Kingdom (Frederickson & Smith, 2003, p. 216). Reinventing government (REGO), the American version of NPM, has had the most dramatic impact on government functioning and public administration. The model proposed by Osborne and Gaebler in *Reinventing Government* (1993) presents 10 principles 1) steering rather than rowing, 2) empowering customers rather than serving them, 3) injecting competition into service delivery, 4) organizing by mission rather than by rules, 5) funding results, not inputs, 6) intense customer orientation, 7) encouraging entrepreneurial earning rather than bureaucratic spending, 8) focusing on prevention rather than cure, 9) decentralizing organizations and fostering teamwork and, 10) leveraging change through market-based incentives (p. 25).

Two of the ten principles are particularly relevant to this study. Separating steering from rowing is the basis of the movement to contract out traditional government services. Rowing is defined as "focusing intently on one mission and performing it well" while steering is "finding the best methods to achieve the desired goals" (p. 35). Government is envisioned as scanning the environment to find the best methods and mechanisms to achieve the purposes of government. Osborne and Gaebler (1993) do not contend that privatization is *the* answer, but rather is *one* answer to reinventing government. The principle of injecting competition into service delivery is

also relevant to the study. One rationale for this principle is that competition rewards innovation while monopolies stifle it. Innovations in service delivery, and local involvement in the provision of services, are key elements in the move to privatize Texas child welfare services.

In addition to their ten principles, Osborne and Gaebler (1993) also offer recommendations for which functions can be best provided by each of the three sectors. The recommendations are based on the work of Savas (1987), whom they characterize as a pragmatic advocate of privatization, rather than an ideologue, since he distinguishes between government's critical role in providing necessary goods and services and then separately considers who can best produce them.

Based on the strengths of each sector as identified by Savas (1987), Osborne and Gaebler (1993) propose a set of tasks best suited for each sector. They propose that issues of policy management and regulation are tasks best suited to the public sector. Additionally, they view enforcement of equity, prevention of discrimination, prevention of exploitation, and social cohesion as tasks best suited for the public sector. In the realm of the private sector, the tasks identified are economic tasks, investment tasks, profit generation, and promotion of self-sufficiency. Finally, Osborne and Gaebler (1993) propose that the nonprofit sector is best suited to perform social tasks, tasks requiring volunteer labor, and tasks that generate little profit. The promotion of community, individual responsibility, and commitment to the welfare of others are all seen as tasks appropriate for the nonprofit sector (Osborne & Gaebler, 1993). The tasks presented do not represent an exhaustive list, and arguments can be made concerning

the respective assignment to each sector, but the value of this approach is that it begins the work of determining the appropriateness of assigning each of the tasks to one of the three sectors.

Tasks are also divided based on the nature of the public good. When contracting out for social services, there is the potential for different expectations since those who consume the services, the clients, do not pay for the cost of providing the services. The contract agency and the consumers may see the service as providing a "private good" while the public agency expects a societal benefit of a "public good" (Austin, 1994). There is also a question as to what level of government, or what contract agency is best suited to provide a public good. This is a question as to the appropriate "scale" or size of the unit of government or agency to provide the service. In making this assessment, it is not a simple matter of deciding if an organization is too large or too small to deal with an issue and provide the public goods needed since the "scale" of the organization is more than just the functions within its official boundaries. Government jurisdictions, public, and nonprofit organizations also have networks and informal mechanisms as means of collaboration. Collaboration between public organizations may create a political community larger than the formal boundaries of the organizations. Likewise, organizations may have specialized mechanisms to deal with subsets of the population within its boundaries. The determination that a jurisdiction or agency is too small or too large to deal with a particular issue cannot be made until there is an assessment of its informal mechanisms (Ostrom, Tiebout & Warren, 1961).

"Packagability" is a criterion used by economists to make the distinction between private and public goods. If a service can be "packaged" it can then be sold in the private market only to those willing to pay for the service to the exclusion of those unwilling to pay (Musgrave, 1959). Public goods are not easily "packagable" and, therefore, a modified version of the criteria can be applied to the services provided by government or public organizations. In this approach, public goods are seen as "the maintenance of preferred states of community affairs" (Ostrom, Tiebout & Warren, 1961, p. 833). Even if the outputs of public goods cannot be "packaged" the inputs for providing the service can be and, therefore, contracted to a third party. "The production of goods and services needs to be distinguished from their provision at public expense. Government provision need not involve public production" (p. 834).

Ostrom and Ostrom (1974) state that "organizing the consumption functions in a public economy can be distinguished from organizing the production functions" (p. 23). They characterize the organizational units as collective consumption units and production units and summarize the functions of each as follows:

Collective-Consumption Unit-

1. Generally, a government which aggregates and articulates the demands of its constituents

2. Has coercive power to obtain funds and pay for public services and to regulate consumption patterns

3. Pays producer units for delivering public goods

4. Receives complaints and monitors performance of production unit

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Producer Unit

1. May be a unit of government, a private, profit-making firm, a not-for–profit institution, or a voluntary association

2. Aggregates factors of production and produces goods to the specification of a collective consumption unit

3. Receives payment from collective-consumption unit for delivering pubic goods

4. Supplies information to collective consumption unit about costs and production possibilities (Ostrom & Ostrom, 1977, p. 24).

Taken together, the collective consumption units (providers) and production units (suppliers) form a public service industry that may include businesses, voluntary associations, and nonprofit organizations (Ostrom & Ostrom, 1977).

Many public administration scholars take issue with the tenets of new public management approaches, but even the harshest critics concede that there are parts of the approach that hold promise. Wamsley and Wolf (1996) posit that NPM has done much good, and few would wish to detract from its accomplishments. In the *Public Administration Primer*, Frederickson and Smith (2003) examine the theoretical underpinnings of REGO. Their assessment is that NPM is very influential in the practices of public administration and that NPM can be understood as an acceptable doctrine of management. One of the primary concerns with NPM is that there is need for more rigorous academic scrutiny of the principles proposed. Many contend that, while NPM principles can result in selective and short-run increases in efficiency, NPM

is silent on issues of fairness, equity, or justice. Even though NPM seldom reduces costs, it has produced numerous innovative ways to accomplish public or collective purposes (Frederickson & Smith, 2003).

<div align="center">2.6 Governance Theory</div>

Public administration is moving towards theories of cooperation, networking, governance, and institution building and maintenance. This new direction in theory development and practice is driven by the need to deal with the realities of our fragmented and disarticulated state and the declining relationships between jurisdictions and public management (Frederickson, 1999). In many instances the term, governance, is being used inter-changeably with public administration or public management (Garvey 1992; Kettl, 2000a; Peters & Pierre 1998; Salamon, 1989). Frederickson (2003) refers to the search for a theory of governance as repositioning of public administration, and states that at a minimum, the definition of "public" must now include a broad variety of institutions and organizations traditionally considered outside the realm of government, as well as the relationships these organization have with each other and with policy making authorities (Frederickson & Smith, 2003).

Frederickson and Smith (2003) outline three distinct approaches to developing a theory of governance. In the first approach, governance is considered a surrogate word for public administration and policy implementation. This approach attempts to unify the various intellectual threads from various disciplines into a framework that encompasses all areas of government activity.

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Lynn and Hill (2000) offer a definition of governance as "the regimes of laws, administrative rules, judicial rulings, and practices that constrain, prescribe and enable government activity, where such activity is broadly defined as the production and delivery of public supported goods and services" (p. 3). Lynn and Hill (2000) argue that the purpose of governance-related research is to examine how public sector regimes, agencies, programs, and activities can be structured and managed to achieve public purposes. They suggest that the study of governance is based on two primary intellectual streams. First institutionalism, or the idea that structural arrangements shape behavior within an organization, determines the performance of an organization, and structures its relationships with external actors and, secondly, the study of networks that emphasize the role of multiple social actors in networks of negotiation, implementation and delivery (O'Toole, 1993). One of the many strengths of their approach is the recognition of the multi-level nature of governance as a feature of decentralization that others have failed to acknowledge (Frederickson & Smith, 2003).

The second approach to governance equates governance to new public management by declaring that they are one and the same, or that new public management is a theory of governance. This approach draws heavily upon the concepts of Ostrom's (1973) *The Intellectual Crisis in Public Administration* and proposes public choice can be understood as a normative, democratic theory of administration. This view seems to prefer the word governance because it is does not carry the same political baggage as NPM.

The third approach to governance proposes governance as a theory "that accounts for lateral relations, inter-institutional relations, the decline of sovereignty, the diminishing importance of jurisdictional borders, and a general institutional fragmentation" (Frederickson & Smith, 2003, p. 222). In this approach, Frederickson and Smith propose a theory of administrative conjunction defined as "the array and character of horizontal formal and informal association between actors representing units in a networked public and the administrative behavior of those actors" (Frederickson & Smith, 2003, p. 223). In this view, like-minded professionals perform diplomatic functions across jurisdictional lines to accomplish public purposes. In administrative conjunction, the public administrator's claim to authority comes, not from their hierarchical position, but rather from their knowledge and ability to work within a network. The connections between administrators develop around specific policy domains and by establishing relationships in networks, public administrators are linked across jurisdictional and sector lines (Frederickson & Smith, 2003). The public administrator's governance task has become the management of network relationships.

A weakness in theory development to this point is the tendency to view the nonprofit sector as "quasi-governmental" and to then view the public sector and nonprofit sector as essentially one unit, while viewing the private sector as a distinct entity. This moving together is often referred to as "blurring" the boundaries of the sectors. A key concept in network theory is that participants in a network retain their individual characteristics while moving from competition to cooperation (Salamon, 2002). It is important to account for the historical development and functioning of the

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three sectors as separate and distinct. While the sectors overlap, and there are forces moving them together, this study will not conceptualize government administrators and nonprofit organization administrators providing traditional government functions through contracts as fundamentally the same. This study takes the perspective that public administration is located within government but functions at the intersection of the public, private, and nonprofit sectors. Public administrators are assumed to be part of government at the national, state, and local level with the necessary authority of the state to achieve public purposes even when the work is accomplished outside traditional public sector organizations.

Public administration has been viewed as standing at the center of the U.S. government (Stillman, 1991) and serving as a balance wheel (Rohr, 1986) between the three branches of government. In *Refounding Public Administration*, Wamsley and his colleagues (1990) identify an agency perspective as the position from which public administration operates within the executive branch at all levels of government. The agency perspective provides a center of gravity, or a gyroscope function, for public administrators as they perform their duties in pursuit of the public interest (Wamsley et al., 1990). In this study, public administration is viewed, not as a balance wheel in the center of government, but as a gyroscope functioning in the traditional agency model at the intersection between government, the private sector, and the nonprofit sector.

There has been a longstanding relationship between the public and the nonprofit sectors for the provision of human services. In a study of a cross section of communities in the 1980s, Salamon (1987) found that the majority of the government-

financed human services were delivered by nonprofit organizations. As Salamon (2002) stated, government-financed human services were available at the local level and already being delivered by private nonprofit and for-profit organizations well before the advocates of "privatization, contracting out, and reinventing government" had proposed it (p. 88). In his study in the early 1980s, Salamon found that government agencies delivered only 40% of publicly funded services, while nonprofit organizations provided 56% of the services, and the private sector provided 4% (Salamon, 1987).

Salamon (2002) makes a clear distinction between governance theory and the privatization and reinventing of government perspectives. In his view, privatization and reinventing government advocate and support indirect forms of government action, such as contracting out, as a way to replace government rather than a way to incentivize it. Salamon's (2002) approach relies more on network theory (de Bruijn, 1997) in which the participants in a network maintain their individuality, but move toward a collaborative relationship rather than a competitive relationship. In this approach, the public sector does what it does best by marshalling resources and setting broad policy directions, while the nonprofit sector provides the services directly to those in need of the services (Salamon, 2002).

While the theoretical model presented here has dealt with the three sectors, this study will focus only on the relationship between nonprofit child care providers and the public sector agency, TDFPS, since there are few contractors from the public sector providing child welfare services in the state. For-profit companies are eligible to contract to provide child welfare services, but to date there are few providers.

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It is important to acknowledge that the entrance of more for-profit companies into the child welfare services arena would greatly impact the relationship between TDFPS and the nonprofit child care providers. In other nonprofit sectors, it has been observed that the entrance of proprietary organizations into the sector "cools" the relationship between the public and nonprofit sectors and the profit motive. This new way of doing business dominates the relationships of all the sectors (Gronbjerg, 1987). When the state of Kansas began to privatize its child welfare services, it was observed that opposition did not come from public employees or the child-advocacy community, but from nonprofit providers who stood to lose state contracts (Eggers, 1997).

2.7 The Conceptual Framework of the Study

The model for the basic theoretical perspective informing this study is demonstrated in Figure 2.1 and can be summarized as follows:

Stillman's (1991) State Development Thesis - The development of the three sectors of American life can be understood within the framework of Stillman's state development thesis. The negative-state vision most closely aligned with the private business sector, the bold state vision most closely aligned with government, and the pre-state vision most closely aligned with the nonprofit sector. The development of three sectors keeps them separate and distinct. Stillman's thesis helps to explain the state vision forces that separate the three sectors. Those forces are: 1.) **authority** as it relates to the bold state vision and the public (government) sector. The reality of government authority leads bold state advocates to look to government for bold initiatives to build public institutions to promote and maintain the good life for citizens;

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2.) an abiding belief in the power of **free markets** that is associated with the negative-state vision. This is the force that seeks natural adjustments in the marketplace without government intervention; and 3.) the pre-state vision of the middle ground characterized as **cooperation.** In this view, government is seen as primarily concerned with supporting the rights of individuals by maintaining the constitution balance of power.

New Public Management (NPM) - The forces of New Public Management are moving the three sectors closer together. The major forces of NPM moving the sectors closer together are: 1) adoption of **market-based management** and resource allocation techniques; 2) increased **reliance on private sector organizations** to deliver public services; and 3) a deliberate and sustained effort to **downsize and decentralized government's role** as the central policy actor in society (Frederickson & Smith, 2003).

Reinventing Government (Osborne and Gaebler, 1993) is the American version of new public management. Based on the work of Savas (1987), Osborne and Gaebler propose a set of functions best served by each of the three sectors: 1.) the public sector is proposed as most appropriate for policy management and regulation, enforcement of equity, prevention of discrimination, prevention of exploitation, and social cohesion; 2.) the private sector is proposed as best suited for economic tasks, investment tasks, profit generation, and promotion of self-sufficiency; and 3.) the nonprofit sector is viewed as best for social tasks, tasks requiring volunteer labor, tasks that generate little profit, the promotion of community, individual responsibility, and commitment to the welfare of others.

Governance Theory - a new direction in theory development and in practice in public administration is driven by the need to deal with the realities of our fragmented and disarticulated state and the declining relationship between jurisdictions and public management (Frederickson, 1999). In many instances the term 'governance' is being used interchangeably with public administration or public management (Garvey, 1992; Kettl, 2000a; Peters & Pierre, 1998; Salamon, 1989). In the theoretical model for this study, public administration is conceptualized as governance at the intersections of the three sectors. While the forces identified above exert pressures on the three sectors, public administration seeks to serve a gyroscope function by functioning within the authority of government at the intersection of the three sectors to achieve the purposes of the state.

2.8 Hypotheses

Using the basic assumptions of network theory, this study will examine the relationships between TDFPS and the contract child care agencies as supplementary, complementary, or adversarial. From the perspective of administrative conjunction, how successful have the public administrators of TDPFS been in performing diplomatic governance functions across the sector lines to form supplementary or complementary relationships and avoid adversarial relationships?

The study will also examine several factors to see what impact, if any, they have on the relationship. The study examines the following questions: 1). Do the demographic characteristics of the administrator or the agency make a difference in the type of relationship? 2). In light of network exchange theory, do child care provider

agency financial characteristics make a difference in the type of relationship? 3). Based on Stillman's State Development Theory, do child care provider agency administrator's opinion on the role of government impact the relationship? and 4). Does the extent to which the administrator embraces the principles of NPM impact the relationship?

Finally, the study will examine whether or not there is a correlation between the type of relationship and the agency's level of policy compliance as evidenced by its assigned monitoring level. Specifically, the study will examine the following hypotheses:

Null Hypothesis 1

There is no relationship between the child care provider agency administrator's characterization of her/his agency's relationship with TDFPS as primarily supplementary, complementary, or adversarial and 1). child care provider agency characteristics, 2). child care provider agency financial characteristics, 3). child care provider agency administrator demographics, 4). child care provider agency administrator's opinion on the role of government, and 5). child care provider agency administrator's views on management.

Null Hypothesis 2

There is no relationship between the child care provider agency administrator's characterization of her/his agency's relationship with TDFPS as primarily supplementary, complementary, or adversarial and the agency's policy compliance record as indicated by the level of its monitoring plan.

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PUBLIC SECTOR
(Bold State Vision)

Policy Management Regulation
Enforcement of equity prevention
of discrimination
Prevention of exploitation
Promotion of social cohesion

PUBLIC ADMINISTRATION
(Governance)

PRIVATE SECTOR
(Negative State Vision)

Economic tasks
Investment tasks
Profit generation
Promotion of Self-sufficiency

NONPROFIT SECTOR
(Pre-State Vision)

Social Tasks
Tasks requiring volunteer labor
Tasks generating little profit
Promotion of Independent
responsibility
Promotion of community
Promotion of commitment to
welfare of others.

Authority

NPM – Downsizing
government's central role

Market Exchange

Community Cooperation

NPM – Market Based Management

NPM – Increased reliance on private sector organizations

Figure 2.1 Public Administration and the Three Sectors

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CHAPTER 3

METHODOLOGY

3.1 The Research Design

A cross sectional quantitative survey design using regression techniques was used to analyze the factors influencing the administrator's characterization of the relationship between her/his agency and Texas Department of Family and Protective Services. A survey was administered to collect primary data from child care agency administrators and financial data was gathered from secondary sources. The study uses "multinomial logit regression" to predict the odds that the administrator of the child care agency would characterize her/his agency relationship with TDFPS as supplementary, complementary, or adversarial. Multinomial logit regression techniques were also used to determine the odds that the agency's monitoring level of compliance would be level I, II, or III (level III being the highest level of compliance) based on the administrator's characterization of the relationship with TDFPS. Qualitative techniques were used to code and analyze the administrator's responses to the comments section of the survey instrument.

3.2 Participants

The unit of analysis for this study is the administrator of a nonprofit child care agency contracting with TDFPS. In the fiscal year 2005, the last full year for which the information is available, TDFPS placed children in 266 different child care facilities. Several facilities operated multiple sites and provided more than one type of service.

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After eliminating duplications, a search of the Guidestar data base was conducted to collect agency financial data from the agency's IRS Form 990. From this search, 138 child care administrators were identified as potential participants in the study. The survey instrument was mailed to each of the 138 administrators.

The list of all licensed child care provider agencies in Texas was obtained from the TDFPS web site. This information included the name of the agency, name of the administrator, address of the agency, license type, date license issued, beds available, and the agency telephone number. While the administrators hold many different titles including President, Executive Director, Director, and Administrator, the target of this study is the Chief Executive Officer (CEO) of the organization. In this study, CEO of the nonprofit agency will be referred to as the "administrator," since all CEOs of nonprofit child care agencies are required to be licensed as a "licensed child care administrator."

3.3 Instrumentation

The survey instrument (See Appendix A) consists of forty-two items. Two of the forty-two questions in the survey are the dependent variables and are embedded in the survey instrument. The first dependent variable question asks the administrator to read three descriptive statements (Guttman, 1950) and then to choose the one statement that best characterizes her/his agency's relationship with TDFPS. The three statements are based on Young's (1998) definitions of nonprofit/government relationships as primarily supplementary, complementary, or adversarial. However the descriptive statements were included in the survey without the labels of supplementary,

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complementary and adversarial. In addition to choosing between the three descriptions of nonprofit/government relationships, participants were asked a series of questions based on the descriptive statements. The three descriptive statements included multiple concepts and therefore could be considered a "double-barreled" question, that is, having more than one question within the question. The individual questions related to the general descriptions and contained only one concept each. This provided the opportunity to examine each concept on the descriptive paragraph as well as the entire statement. Participants were asked to indicate on a five point scale (Likert, 1932) if they strongly agree, agree, neither agree nor disagree, disagree or strongly disagree.

The second dependent variable question asked the participants to indicate their current monitoring level with TDFPS. All child care provider agencies are designated a monitoring plan (level I, II or III) based on their compliance history (number of deficiencies).

Plan I - Inspections are made every three to five months. Plan I is used for operations that are too new to have established a compliance record, have made inadequate attempts to correct deficiencies, or have repeated deficiencies that do not place children at immediate risk.

Plan II - Inspections are made every six to nine months. Plan II is used for operations that have a few deficiencies that do not place children at immediate risk and deficiencies are corrected on time.

Plan III - Inspections are made every 10 to 12 months. Plan III is used for operations that consistently comply with the minimum standards or whose deficiencies are few and are promptly corrected.

All other questions on the survey were used to develop independent variables, including questions about the finances of the agency, any religious affiliations of the agency, and the age of the organization. There is also a section on demographic characteristics of the administrator including: age, gender racial/ethnic identity, highest educational level, primary educational background, and years of experience in the public, private, and nonprofit sectors. The independent variables for this study fall into five major categories: 1) agency characteristics, 2) agency financial characteristics, 3) administrator demographics, 4) administrator's opinion on the role of government, 5) administrator's views on management. (See Table 3.1 for a list of the variables).

The independent variables for the category "agency characteristics" were gathered from several sources. The administrator's survey asked whether or not the organization is religiously affiliated. Since most of the agencies are charted as 501c3 tax-exempt nonprofit organizations, it is impossible to know definitively if the organization is sponsored by a religious organization. In some cases, the agency may have historical ties to a religious organization but are no longer affiliated. The administrator's statement concerning religious affiliation was accepted for purposes of the study. The administrator's survey also asked the age of the organization. The IRS form 990 provides the date that the tax-exempt status was granted and the TDFPS information provides the date the facility license was granted. In many cases the

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founding date of the organization will pre-date both the IRS exception status date and

the date the license was issued. The total number of child care days provided to TDFPS

children, and the type of license were provided by TDFPS sources.

Table 3.1 Independent Variables

Categories
Independent Variables
<u>Agency Characteristics</u>
Religiously affiliated (yes or no)
Total child care days provided to TDFPS children
Age of Organization
Type of care provided (emergency shelter, basic)
TACS member (yes or no)

<u>Agency Financial Characteristics</u>

Total Assets	Investments
Total Revenue	Program Services
Contributions	Other Revenue
Government Grants	Total funds received from TDFPS

<u>Administrator Demographics</u>

Education
Gender
Ethnicity
Private/Public Sector Experience

<u>Administrator's Attitude on the Role of Government</u>
Government should take an energetic role
Government should not impose artificial state controls on the marketplace
Government should support the rights of individuals

<u>Administrator's Attitude on Management</u>

The nonprofit sector should adopt market-based management
Society should be cautious in moving the provision of public services from
government to the business and nonprofit sectors.

The following "agency financial characteristics" were obtained from each agency's IRS Form 990. Total assets reflect the overall worth of the organization including building, equipment, endowment funds and cash balances. In some cases, it was necessary to examine other related organizations to determine the total assets of the agency. For example, some agencies have operating foundations that are set up for the purpose of managing the agency's endowment and supporting the organization. Such related organizations were considered as part of the total assets of the organization. Total revenue refers to the one year operating income of the organization. This excludes any major capital expenditures such as new buildings and major equipment purchases. Contributions are funds donated by individuals, groups, un-affiliated foundations, churches, etc. All government grants are reported on IRS Form 990. Program services included income from other agencies or from families. The data received for TDFPS, in response to a freedom of information request, supplied the information on how much TDFPS had paid to each agency. Investment income includes money earned in endowments, oil and gas leases, and any other source of income generated by assets owned by the agency. Other income includes funds from special events such as galas, golf tournaments, or from the sale of items to raise funds.

The survey asked the administrator to read a series of three statements on the functions of government and choose the statement that most clearly expresses her/his views on the appropriate role of government. These statements are based on Stillman's (1991) thesis of state development. Next, the administrator was asked to read two statements on their views of management and choose the statement that most closely

expresses their view of management. These statements are based on Frederickson's (2003) characterization of concepts of new public management. Finally, the administrators were asked to make any other comments they wanted about their agency's relationship with TDFPS.

In addition to data gathered from the administrator's survey, financial information on each agency was gathered from "Guidestar," a database that uses the IRS form 990 to compile information on every nonprofit organization in the United States. The Guidestar database is available to be used by researchers working in the area of nonprofits. Because IRS Form 990 does not clearly identify (Lampkin & Boris, 2002) the amount of funds paid to each agency by TDFPS or the contract days of care provided by each agency, a freedom of information request was filed to obtain that information.

Three nonprofit child care provider specialists assessed content validity by completing the first draft of the survey and critiquing the statements. Comments from this group were used to create a final survey for administrators. The three individuals who participated in the pilot were not included in the study.

3.4 Procedure

A search of the Guidstar database found IRS Form 990 financial information for 138 potential respondents. For these 138 contract agencies, the licensed administrator of the agency was mailed a packet of material including: a cover letter asking for her/his participation in the study, the survey, and a return stamped self-addressed envelope. After choosing to participate, individuals completed the survey and returned it in the

return envelope. If the administrator had not responded within four weeks, a post card was mailed asking for their participation. In addition to the post card, telephone reminder calls were made to those administrators who had not responded to the survey. If the potential participants had not responded after another four weeks a second reminder post card was mailed.

From the initial mailing, 46 administrators responded to the survey within four weeks. An additional 15 responded after the first reminder postcard was mailed and reminder phone calls were made. Three responded to the second reminder postcard mailed at eight weeks. A total of 64 administrators responded to the survey for a return rate of 46.3%.

3.5 Protection of Human Participants

Essential to the protection of human participants in the present study, ethical considerations were involved in the researching administrator's attitudes. Prior to implementation of the research study, application to the Institutional Review Board (IRB) of the University of Texas at Arlington was submitted and approval granted. Confidentiality and professional research ethics were maintained throughout each aspect of the research. Potential risks to the respondents were described, as well as the procedures planned to minimize risks. Potential benefits to the participants were also outlined. Finally, the protocol to ensure data confidentiality was listed. Voluntary participation in the study was emphasized with the explanation that the respondent may withdraw from the study at any time without penalty. Data was coded with a unique

Identification number for each participant and all identifying information was removed from the data and destroyed at the conclusion of the study.

3.6 Data Analysis

This study is a quantitative survey design using regression techniques for analyzing the relationship between nonprofit child care providers and the Texas Department of Family and Protective Services. Preliminary analyses were conducted to determine the relationships between the independent variables to determine the appropriate predictors of the dependent variable, as well as to test for multicollinearity between the independent variables. Determining the appropriate predictors to include in the multinomial logistic regression was important because the maximum sample size for the present study is only 64, and a minimum of 10 participants per predictor variable are recommended for multiple regressions (Stevens, 2002). These preliminary analyses included Nonparametric Chi Square Tests of Association to test for relationships between the levels of the categorical variables; Pearson's Product Moment Correlations were conducted to test for relationships between the continuous variables. Independent samples t-tests and Analyses of Variance (ANOVAs) were conducted for differences between the levels of the categorical variables on the continuous variables. Multivariate Analyses of Variance (MANOVA) were also conducted to test for mean differences between the levels of a categorical variable on related dependent measures, such as financial characteristics and attitudes.

Multinomial logistic regressions were conducted to examine the predictive value of agency and administrator characteristics on the agency's relationship with

TDFPS (i.e., Supplementary, Complementary, Adversarial) and on the level of the monitoring plan (i.e., Plan I, Plan II, Plan III). Multiple regressions was conducted based on Menard (1995) guidelines that if there are more than five potential explanatory variables in an exploratory regression, that all potential predictors were included in the initial analysis. However, many items had small sample sizes and were not suitable for inclusion. Based on preliminary analysis, it was determined that the final model would include the following predictors: agency plan level, Item 3 (*view TDFPS as a partner in provision of child care services*), Item 4 (*services are almost exclusively financed by TDFPS or other government agencies*), Item 5 (*Our agency pushes TDFPS for changes in public policy*), Item 6 (*Our agency's relationship with TDFPS is primarily one of regulator-regulatee*), and Item 7 (Our *relationship with TDFPS is primarily adversarial*). Among all of the variables included in the study, only significant variables, as determined through the *Wald* statistic are discussed and presented in the corresponding tables of Chapter 4.

The final question on the administrator's survey asked for any comment the administrator wanted to make concerning the relationship between her/his agency and TDFPS. Seventy-five percent (75%) of the respondents answered this open-ended question. Each of the answers was transcribed and NVivo qualitative software was used to code the responses and to identify themes in the responses. The qualitative analysis was used to bring richness to the study results.

3.7 The Research Question

The research questions for this study are:

1. What factors influence the relationship between nonprofit child care providers and the Texas Department of Family and Protective Services?

2. Does the relationships between nonprofit child care providers and the Texas Department of Family and Protective Services relate to the effectiveness of the provider in carrying out the policy goals of TDFPS?

CHAPTER 4

RESULTS

4.1 Demographics

In this chapter, the research findings of the study are provided. In the following chapter, the findings are discussed in terms of the theoretical basis of the study and the implications for theory and practices.

A total of 64 agencies were included in the current study. The demographic characteristics for the 64 agencies are presented in Table 4.1, 4.2, and 4.3. The oldest agency in the study was established in 1887, and the newest agency was established in 2005. The annual budgets of the agencies ranged from $400,000 per year to $215,000,000 per year. The size of the agency endowments ranged from $0 to $330,000,000. In addition to the funds received through TDFPS contracts, 51.7% of the agencies also received funds from other government grants.

Of the agencies, 44% are licensed as child placing agencies and 24% were religiously affiliated. Forty-nine (49%) are members of the Texas Alliance of Children and Family Services (TACFS). The number of TDFPS children served ranged from 0 to 2,326 and, if they served TDFPS children, the funds paid to the agencies for child care days provided ranged from $2,013 to $18,606,480.

Table 4.1 Demographics for Agencies

	Frequency	%
No Government Grants	28	48.3
Receives Government Grants	30	51.7
Type Code		
B -Basic Care	10	15.9
CPA 24 - Child Placing Agency	28	44.4
ES - Emergency Shelter	10	15.9
MH - Mental Health	1	1.6
MR - Mental Retardation	0	0.0
RTC - Residential Treatment Center	14	22.2
Religious Affiliation		
yes	15	24
no	47	76
Member of TACFS	30	49
Not a Member of TACFS	31	51

Note: Frequencies not adding to 64, reflect missing data.

The administrators of the agencies were 44% female and 56% male. Of the agency directors, 95% were Caucasian and 5% were African American. No other ethnic groups were represented in the survey. Sixty-six (66%) of the administrators hold masters degrees and the most common educational background is Social Work (35%). Seventy-one (71%) of the administrators were more than 50 years old.

4.2 Survey Results

When asked to choose from the three descriptive statements of relationship, supplementary, complementary or adversarial, the child care administrators varied widely in their characterization. Forty-three percent characterized the relationship as

supplementary, meaning that they saw their agency as filling a demand for public goods left unsatisfied by government, and that they raised funds to meet the needs not met by government. Thirty-two percent characterized the relationship as complementary and said their agency was in partnership with TDFPS, helping to deliver public good largely financed by government. In the third group, 23% stated that their agency pushed TDFPS to make changes in public policy and to maintain accountability to the public. They saw their agency relationship with TDFPS as one of being regulated by them, while their agency advocated for policy changes or an adversarial relationship.

Table 4.2 Demographics for Administrators

	Frequency	%
Race		
Caucasian	59	95
African American	3	5
Gender		
Female	27	44
Male	35	56
Highest Education		
High School or GED	3	5
Bachelor's Degree	11	17
Master's or Professional Degree	42	66
J.D. or M.D.	1	2
Ph.D. or other Doctorate	6	9
Other	1	2
Educational Background		
Business Administration	6	10
Education	11	18
Psychology	13	21
Theology/Ministry	3	5
Social Work	22	35
Medicine	0	0
Other	7	11

Note: Frequencies not adding to 64 reflect missing data.

Table 4.3 Means and Standard Deviations for Financial Data

	n	Mean	SD	Min	Max
Assets	63	13042992.48	44566929.24	0	325359617.00
Contributions	61	1103038.43	2008203.79	0	9443057.00
Government Grants	58	727,501	1389465.64	0	5712334
Program Services	61	3554792.49	8394631.91	0	49796591.00
Investments	60	553567.00	3172228.50	-34435	24372242.00
Sales	54	4227.19	21536.65	0	149866.00
Total Revenue	63	6294657.29	10899221.89	34962	55469491.00
TDFPS Children	57	183.40	342.39	1	2326.00
Days Paid Care	57	25893.32	53799.84	56	370830.00

The agencies also varied widely in their level of compliance with minimum standards as evidenced by their monitoring plan. Plan I, the lowest level of compliance and the highest rate of monitoring was reported by 26% of the agencies. Thirty-two percent (32%) reported being on monitoring Plan II and 42% reported a Plan III monitoring level, the highest level of compliance and lowest level of monitoring.

Most of the agency administrators, 70.3%, expressed their agreement with the major elements of new public management and agreed that the private sector (business) is more efficient and effective than government, and that the nonprofit sector should adopt market-based management and resource allocation techniques. They further

agreed that the government should rely more on the business and nonprofit sector to deliver public services and government should be downsized and decentralized.

The distribution of responses to the survey items are presented in Tables 4.4, 4.5, 4.6, and 4.7.

Table 4.4 Frequencies and Percentages for Responses to Items Assessing Agency Relationship with TDFPS

Our agency fulfills a need for services that is not otherwise met by TDFPS.		
	n	%
Strongly Disagree	1	1.6
Disagree	0	0.0
Neither	2	3.1
Agree	13	20.3
Strongly Agree	48	75.0
The funds paid to our agency by TDFPS do not cover the cost of services and we must supplement those funds.		
	n	%
Strongly Disagree	1	1.6
Disagree	1	1.6
Neither	1	1.6
Agree	6	9.4
Strongly Agree	53	82.8
Our agency views TDFPS as our partner in the provision of child care services.		
	n	%
Strongly Disagree	3	4.7
Disagree	9	14.1
Neither	15	23.4
Agree	20	31.3
Strongly Agree	17	26.6

Table 4.4, continued

Our services are almost exclusively financed by TDFPS (or other government agencies).		
	n	%
Strongly Disagree	16	25.0
Disagree	14	21.9
Neither	1	1.6
Agree	15	23.4
Strongly Agree	18	28.1
Our agency pushes TDFPS for changes in public policy.		
	n	%
Strongly Disagree	1	1.6
Disagree	7	10.9
Neither	10	15.6
Agree	25	39.1
Strongly Agree	19	29.7
Our agency's relationship with TDFPS is primarily one of regulator-regulatee.		
	n	%
Strongly Disagree	2	3.1
Disagree	15	23.4
Neither	9	14.1
Agree	25	39.1
Strongly Agree	13	20.3
Our relationship with TDFPS is primarily adversarial.		
	n	%
Strongly Disagree	11	17.2
Disagree	27	42.2
Neither	12	18.8
Agree	9	14.1
Strongly Agree	4	6.3
Which of the following best describes the relationship between your agency and the Texas Department of Family and Protective Services (TDFPS)?		
	n	%
Supplementary	28	43.8
Complementary	21	32.8
Adversarial	15	23.4

Table 4.5 Frequencies and Percentages for Responses to Items Assessing Attitudes on the Role of the Government

The Federal Government should take an active role in promoting the good life for citizens.		
	n	%
Strongly Disagree	3	4.7
Disagree	5	7.8
Neither	12	18.8
Agree	30	46.9
Strongly Agree	13	20.3
There should be strong government institutions to respond to social needs in society.		
	n	%
Strongly Disagree	2	3.1
Disagree	8	12.5
Neither	11	17.2
Agree	28	43.8
Strongly Agree	15	23.4
The Federal Government should not impose artificial controls on the economy.		
	n	%
Strongly Disagree	2	3.1
Disagree	2	3.1
Neither	24	37.5
Agree	28	43.8
Strongly Agree	8	12.5
A major role of the Federal Government should be to support the rights of individuals.		
	n	%
Strongly Disagree	2	3.1
Disagree	3	4.7
Neither	4	6.3
Agree	38	59.4
Strongly Agree	17	26.6

Table 4.6 Frequencies and Percentages for Responses to Items Assessing Views on the Federal Government and Management

Which of the following statements most closely expresses your view of the role of the federal government?		
	n	%
Government should take an energetic role throughout society to promote and maintain the good life for citizens, and that there should be strong and effective government organizations to respond to various societal challenges and individual needs.	20	31.3
Government should not impose artificial state controls on the marketplace but allow for natural competition. The role of government should be to maintain open markets	19	29.7
Government should be primarily concerned with supporting the rights of individuals by maintaining the constitutional balance of power between the branches of government.	25	39.1
Which of the following statements most closely expresses your view of management?		
	n	%
The private sector (business) is more efficient and effective than government. The nonprofit sector should adopt market-based management and resource allocation techniques. The government should rely more on the business and nonprofit sector to deliver public services. Government should be downsized and decentralized.	45	70.3
Business management practices can result in selective and short-run increases in efficiency but do little to promote issues of fairness, equity, or justice. The adoption of business principles seldom reduces the costs of providing services and therefore society should be cautious in moving the provision of public services from government to the business and nonprofit sectors.	13	20.3

Table 4.7 Frequencies and Percentages for Responses to Items Assessing Views on
Management

The private sector (business) is more efficient than the government. (Efficient is defined
as minimizing waste or effort).

	n	%
Strongly Disagree	0	0.0
Disagree	3	4.7
Neither	9	14.1
Agree	22	34.4
Strongly Agree	29	45.3

The private sector (business) is more effective than the government. (Effective is defined
as achieving a desired result).

	n	%
Strongly Disagree	0	0.0
Disagree	3	4.7
Neither	8	12.5
Agree	26	40.6
Strongly Agree	26	40.6

The government should rely more on the business sector (rather than on itself) to deliver
public services.

	n	%
Strongly Disagree	0	0.0
Disagree	5	7.8
Neither	12	18.8
Agree	26	40.6

The government should rely more on the nonprofit sector (rather than on itself) to deliver
public services.

	n	%
Strongly Disagree	0	0.0
Disagree	5	7.8
Neither	4	6.3
Agree	29	45.3
Strongly Agree	26	40.6

Table 4.7, continued

The Federal Government should be downsized.		
	n	%
Strongly Disagree	1	1.6
Disagree	3	4.7
Neither	21	32.8
Agree	26	40.6
Strongly Agree	13	20.3
More duties of the federal government should be devolved to state and local governments.		
	n	%
Strongly Disagree	0	0.0
Disagree	7	10.9
Neither	22	34.4
Agree	23	35.9
Strongly Agree	12	18.8
Business management practices should be adopted by nonprofit agencies to increase efficiency.		
	n	%
Strongly Disagree	0	0.0
Disagree	5	7.8
Neither	6	9.4
Agree	28	43.8
Strongly Agree	25	39.1
Market based approaches in the nonprofit sector can do little to promote issues of justice.		
	n	%
Strongly Disagree	6	9.4
Disagree	26	40.6
Neither	26	40.6
Agree	4	6.3
Strongly Agree	2	3.1

Table 4.7, continued

The adoption of business management practices seldom reduces the costs of providing services.		
	n	%
Strongly Disagree	5	7.8
Disagree	35	54.7
Neither	13	20.3
Agree	9	14.1
Strongly Agree	2	3.1
Society should be cautious in moving the provision of public services from government to the business sector.		
	n	%
Strongly Disagree	1	1.6
Disagree	14	21.9
Neither	6	9.4
Agree	31	48.4
Strongly Agree	12	18.8
Society should be cautious in moving the provision of public services from government to the nonprofit sector.		
	n	%
Strongly Disagree	2	3.1
Disagree	20	31.3
Neither	5	7.8
Agree	29	45.3
Strongly Agree	8	12.5

4.3 Factor Analyses

Factor analyses were conducted to determine if items would statistically group together, and whether or not they measured what they were intended to measure. Specifically, three separate factor analyses were conducted on the 21 items that served to assess: the agency's relationship with TDFPS, attitude on government, and attitudes on management. Factors were retained if their eigenvalues were greater than 1.00. In

addition, items were included as part of a factor provided that the factor loading was greater than .55, and that they received their highest loading on that factor.

The first factor analysis was conducted on seven items that assessed the agency's relationship with TDFPS. The results revealed a three factor solution, accounting for 70.22% of the variance (see Table 4.8). Factor 1 was comprised of two items, including the agency fulfilling a need for services that would not be met by TDFPS and TDFPS funds must be supplemented. Inter-item analyses were conducted to examine the consistency between these two items, Cronbach's α = .712. Factor 2 included three items: views TDFPS as a partner (reverse coded), relationship with TDFPS is one of regulator-regulatee, and relationship with TDFPS is adversarial. The inter-item analysis revealed that the items were sufficiently related, Cronbach's α = .765. Factor 3 was comprised of two items: services exclusively financed by TDFPS, and agency pushes TDFPS for changes in public policy. The inter-item analysis revealed that the two items were not sufficiently associated, Cronbach's α = .089.

The second factor analysis was conducted on the four items that assessed the agency director's views on the government. The results revealed a two factor solution that accounted for 78.01% of the variance (see Table 4.9). The first factor was comprised of three items, including: that the government should take an active role in promoting the good life for citizens, strong government institutions are needed to respond to social needs in society, and a major role of the federal government should be to support the rights of individuals. The inter-item analysis revealed that these three

items were sufficiently related, Cronbach's α = .758. The second factor included only

one item, that the government should not impose artificial controls on the economy.

Table 4.8 Final Rotated Factor Loadings of Items Assessing the Agency's Relationship
with TDFPS

	Factor		
	1	2	3
Our agency fulfills a need for services that is not otherwise met by TDFPS.	0.12	0.83	0.31
The funds paid to our agency by TDFPS do not cover the cost of services and we must supplement those funds.	0.00	0.90	-0.19
Our agency views TDFPS as our partner in the provision of child care services. (reverse coded)	0.81	-0.05	-0.30
Our services are almost exclusively financed by TDFPS (or other government agencies).	0.11	-0.17	0.87
Our agency pushes TDFPS for changes in public policy.	-0.01	0.12	0.40
Our agency's relationship with TDFPS is primarily one of regulator-regulatee.	0.81	0.18	0.32
Our relationship with TDFPS is primarily adversarial.	0.86	0.03	0.12

Note: Varimax Rotation with Kaiser Normalization

The third and final factor analysis was conducted on the eleven items that

assessed the agency director's views on management. The results revealed a four factor

solution that accounted for 71.0% of the variance (see Table 4.10). The first factor was

comprised of four of the eleven items including: 1) private sector is more efficient,   2)

private sector is more effective, 3) government should rely on business sector, and   4)

the government should rely on nonprofit sector to deliver public services. The inter-item

analysis revealed that these four items were sufficiently related, Cronbach's α = .811.

The second factor included two items: 1) the government should be downsized, and 2)

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that duties of the federal government should be devolved to state and local governments. The inter-item analysis revealed that these two items were sufficiently related, Cronbach's α = .773. The third factor was comprised of three items, including: 1) business management practices should be adopted by nonprofit agencies to increase efficiency (reverse coded), 2) market based approaches in the nonprofit sector can do little to promote issues of justice, and 3) the adoption of business management practices seldom reduces the costs of providing services. The inter-item analysis revealed that these three items were not sufficiently related, Cronbach's α = .434. The fourth and final factor included two items: 1) society should be cautious in moving the provision of public services from government to the business sector and 2) society should be cautious in moving the provision of public services from government to the nonprofit sector. The inter-item analysis revealed that these two items were sufficiently related, Cronbach's α = .889.

Table 4.9 Final Rotated Factor Loadings of Items Assessing the Agency Director's Views on the Government

	Factor	
	1	2
The Federal Government should take an active role in promoting the good life for citizens.	0.855	-0.163
There should be strong government institutions to respond to social needs in society.	0.824	-0.052
The Federal Government should not impose artificial controls on the economy.	-0.026	0.971
A major role of the Federal Government should be to support the rights of individuals.	0.783	0.356

Table 4.10 Final Rotated Factor Loadings of Items Assessing the Agency Director's
Views on Management

	Factor			
	1	2	3	4
The private sector (business) is more efficient than the government. (Efficient is defined as minimizing waste or effort).	0.899	-0.010	0.244	0.006
The private sector (business) is more effective than the government. (Effective is defined as achieving a desired result).	0.873	-0.042	0.193	-0.017
The government should rely more on the business sector (rather than on itself) to deliver public services.	0.778	-0.377	-0.040	-0.093
The government should rely more on the nonprofit sector (rather than on itself) to deliver public services.	0.424	-0.305	0.322	0.183
The Federal Government should be downsized.	0.296	-0.335	0.720	0.145
More duties of the federal government should be developed to state and local governments.	0.172	-0.060	0.890	-0.063
Business management practices should be adopted by nonprofit agencies to increase efficiency. (reverse coded)	-0.190	-0.031	0.003	0.741
Market based approaches in the nonprofit sector can do little to promote issues of justice.	0.163	-0.130	-0.269	0.480
The adoption of business management practices seldom reduces the costs of providing services.	0.048	0.011	0.236	0.806
Society should be cautious in moving the provision of public services from government to the business sector.	-0.216	0.906	-0.066	-0.041
Society should be cautious in moving the provision of public services from government to the nonprofit sector.	-0.049	0.921	-0.194	-0.072

As a result of the low inter-item reliability of two of the factors, as well as one item that did not load with any other items, the remainder of the analyses for the current study will utilize the individual items, and not the summed factor scores. Conducting the analysis on the summed factor scores would result in six of the 21 items being excluded from the analysis. Due to the relatively small number of items (21) assessing

the three conceptual areas (relationship with TDFPS, views on government, views on management) it was deemed necessary to include all possible items in the subsequent analyses.

<div align="center">4.4 Preliminary Analysis</div>

4.4.1 Agency Characteristics

The agency characteristic variables included general agency items as well as a group of financial items. The frequencies for the continuous variables were examined and recoded into dichotomous variables based on the median for each variable. As shown in Tables 4.11 and 4.12, approximately 50% of the values fall into each level of the variable. The agency characteristic included religious affiliation (yes vs. no), age of organization (young vs. old), and total child care days provided to TDFPS children (low vs. high). The agency age was coded so that agencies established in the year 1976 or earlier were deemed *older,* and those established after 1976 were classified as *younger*. The total child care days was recoded so that 9,459 days or less was classified as *low* and more than 9,459 days was classified as *high*.

<div align="center">Table 4.11 Agency Characteristics</div>

	Frequency	%
Age		
Young Organization	32	50.0
Older Organization	31	48.4
Child Care Days		
Low Days	29	45.3
High Days	28	43.8

Note: Frequencies not adding to 64 and percentages not totaling 100 reflect missing data.

The agency financial characteristics were measured by items including the total assets (low vs. high), contributions (low vs. high), program services (low vs. high), total revenue (low vs. high), receive government grants (yes vs. no), and investments (low vs. high). The agency total assets was recoded so that assets less than $1,870,680 were categorized as *low*, and assets more than $1,870,680 were categorized as *high*. The agency contributions were coded so that contributions less than $377,508 were considered *low*, and those greater than $377,508 were considered *high*. The agency program service funds were recoded so that less than $977,055 was categorized as *low*, and more than $977,055 was categorized as *high*. The agency's total revenue was coded so that revenues less than $2,646,669 were classified as *low*, and more than $2,646,669 were classified as *high*.

Table 4.12 Agency Financial Characteristics

	Frequency	%
Total Assets		
Low Assets	32	50.0
High Assets	31	48.4
Contributions		
Low Contributions	31	48.4
High Contributions	30	46.9
Program Services		
Low Program Services	31	48.4
High Program Services	30	46.9
Total Revenue		
Low Revenue	32	50.0
High Revenue	31	48.4

Note: Frequencies not adding to 64 and percentages not totaling 100 reflect missing data.

4.4.2 Agency Age

A series of analyses were conducted to examine differences between younger agencies and older, presumably well-established agencies. Specifically, a series of independent samples t-tests were conducted to examine group differences on the agency financial characteristic items. In addition, Pearson's chi-square tests and Multivariate Analysis of Variance (MANOVAs) were utilized to evaluate group differences in the items measuring attitudes on the role of the government and management, as well as items assessing the agency's relationship with TDFPS.

Independent samples t-tests were conducted to examine potential group differences between younger and older agencies and financial characteristics. As shown in Table 4.13, older agencies reported more assets (M = 25151346.94, SD = 61680728.11) than younger agencies (M = 1305532.16, SD = 1434599.36) (t = 2.15, p < .05). There were also significant agency differences for contributions (t = 3.82, p < .01). Older agencies reported significantly greater amounts of contributions (M = 1957334.06, SD = 2529327.44) than younger agencies (M = 203522.24, SD = 368445.62). Finally, there was a significant difference for agency age on the percent of the budget from TDFPS, (t = -4.147, p < .001). Younger agencies reported that significantly more of their budget comes from TDFPS (M = 69.75, SD = 32.88) than older agencies (M = 37.20, SD = 28.30).

Table 4.13 Means and Standard Deviations for Agency Financial Items by Agency Age

	n	Mean	SD	t	p
Assets*				2.15	0.040
Older Organization	31	25151346.94	61680728.11		
Younger Organization	31	1305532.16	1434599.36		
Contributions*				3.82	0.001
Older Organization	31	1957334.06	2529327.44		
Younger Organization	29	203522.24	368445.62		
Government Grants				0.98	0.332
Older Organization	28	924896.00	1754344.32		
Younger Organization	29	561998.93	936022.85		
Program Services Fees				0.62	0.537
Older Organization	29	4280969.62	9893930.05		
Younger Organization	31	2915929.94	6970787.04		
Investments				1.37	0.177
Older Organization	29	1136893.38	4530099.50		
Younger Organization	30	7561.07	18049.80		
Total Revenue				1.80	0.077
Older Organization	31	8813903.65	13633373.26		
Younger Organization	31	3879325.58	6834061.56		
Children				0.79	0.435
Older Organization	28	220.36	470.27		
Younger Organization	28	147.43	138.60		
Days in Paid Care				0.85	0.400
Older Organization	28	32074.68	72335.34		
Younger Organization	28	19734.11	26303.33		
Total annual budget				0.41	0.681
Older Organization	31	13288196.35	23413757.39		
Younger Organization	30	9915346.00	38818276.28		

Table 4.13, continued

	n	Mean	SD	t	p
Pecent budget from TDFPS				-0.54	0.592
Older Organization	29	35.83	30.96		
Younger Organization	28	40.64	36.32		
Percent of the total budget				-4.14	0.000
Older Organization	31	37.20	28.30		
Younger Organization	30	69.75	32.88		

Note: * indicates that equal variances are not assumed.

Three separate one-way (age: young, old) MANOVAs were conducted to examine the effect of agency age on how the director rated the relationship with TDFPS as well as attitudes on government roles and attitudes on management. A one-way (age: young, old) MANOVA was used to examine the impact of agency age on the agency relationship with TDFPS. Means and standard deviations are presented in Table 4.14. The results indicated a significant multivariate effect for agency age, F (7, 51) = 4.46, p < .01. The univariate analysis indicated a significant effect for agency age on the statement: "funds paid to our agency by TDFPS do not cover the cost of services and we must supplement the funds", F (1, 57) = 5.52, p < .05. Older organizations reported more agreement with this statement (M = 4.97, SD = .19) than younger organizations (M = 4.53, SD = .97). In addition, there was a significant univariate effect for age on the statement: "services are almost exclusively financed by TDFPS", F (1, 57) = 25.16, p < .001. Older organizations reported less agreement with this statement (M = 2.31, SD = 1.42) than younger agencies (M = 4.03, SD = 1.22). Finally, there was a significant effect for age on the statement: "the agency's relationship with TDFPS is

primarily one of regulator-regulatee", $F(1, 57) = 6.74$, $p < .05$. Older agencies reported less agreement with this statement ($M = 3.07$, $SD = 1.07$) than younger agencies ($M = 3.80$, $SD = 1.10$).

Table 4.14 Means and Standard Deviations for Items Assessing Agency Relationship with TDFPS by Agency Age

	n	Mean	SD	F	p
Agency fills need for services				0.01	0.908
Older Organization	29	4.66	0.61		
Younger Organization	30	4.63	0.81		
TDFPS funds must be supplemented				5.52	0.022
Older Organization	29	4.97	0.19		
Younger Organization	30	4.53	0.97		
TDFPS viewed as a partner				0.73	0.396
Older Organization	29	3.76	0.99		
Younger Organization	30	3.50	1.31		
Services funded by government				25.16	0.000
Older Organization	29	2.31	1.42		
Younger Organization	30	4.03	1.22		
Pushes for changes in public policies				0.07	0.792
Older Organization	29	3.83	1.04		
Younger Organization	30	3.90	1.06		
Regulator-regulatee Relationship				6.74	0.012
Older Organization	29	3.07	1.07		
Younger Organization	30	3.80	1.10		
Adversarial Relationship				2.77	0.102
Older Organization	29	2.28	1.10		
Younger Organization	30	2.77	1.17		

Three separate one-way (TACFS member: yes vs. no) MANOVAs were conducted to examine the potential differences between members and non-members on agency relationship with TDFPS, agency director's views on the government, and the director's views on management. The first one-way (TACFS member: yes vs. no) MANOVA was conducted on the seven items that assessed the agency's relationship with TDFPS. There was a significant multivariate effect for TACFS membership, F (7, 49) = 2.60, $p < .05$. Means and standard deviations are presented in Table 4.15. The univariate analysis revealed a significant main effect for TACFS membership on the agency pushing TDFPS for changes in public policy, F (1, 55) = 11.21, $p < .01$. Members had higher mean scores ($M = 4.32$, $SD = .77$) than non-members ($M = 3.45$, $SD = 1.15$).

4.4.3 Agency Religious Affiliation

A series of analyses were conducted to examine differences between agencies with a religious affiliation and agencies with no religious affiliation. Specifically, a series of independent samples t-tests were conducted to examine group differences on the agency financial characteristic items. In addition, Pearson's chi-square tests and Multivariate Analysis of Variance (MANOVAs) were utilized to evaluate group differences in the items measuring attitudes on the role of the government and management, as well as items assessing the agency's relationship with TDFPS.

Table 4.15 Means and Standard Deviations for Relationship Items by TACFS Membership Status

	n	Mean	SD	F	p
Agency fills need for services				0.09072	0.7644
Yes	28	4.67857	0.61183		
No	29	4.62069	0.82001		
TDFPS funds must be supplemented				0.70639	0.40428
Yes	28	4.82143	0.61183		
No	29	4.65517	0.85673		
TDFPS viewed as a partner				2.06822	0.15606
Yes	28	3.85714	1.1455		
No	29	3.41379	1.18072		
Services funded by government				2.03993	0.15887
Yes	28	2.92857	1.67616		
No	29	3.51724	1.4298		
Pushes for changes in public policies				11.2115	0.00147
Yes	28	4.32143	0.77237		
No	29	3.44828	1.15221		
Regulator-regulatee Relationship				0.74035	0.39329
Yes	28	3.28571	1.18187		
No	29	3.55172	1.15221		
Adversarial Relationship				2.45976	0.12253
Yes	28	2.32143	1.12393		
No	29	2.7931	1.14578		

Independent Samples t-tests were conducted to examine potential group differences between agencies with and without a religious affiliation. The means and standard deviations are presented in Table 4.16. The results indicated significant group differences for one item: the percent of the total agency budget that comes from TDFPS, ($t = -3.235$, $p < .01$). Agencies that were religiously affiliated (religious = 1) had lower

mean scores for the total budget that comes from TDFPS ($M = 29.93$, $SD = 28.63$) than

agencies that were not religiously affiliated ($M = 60.95$, $SD = 33.11$).

Table 4.16 Means and Standard Deviations for Agency Financial Items by Religious
Affiliation

	n	Mean	SD	t	p
Assets				1.26	0.227
Religious	15	34426972.67	84809068.15		
Non-Religious	46	6580214.67	17251121.54		
Contributions				2.22	0.030
Religious	15	2113954.27	2186877.07		
Non-Religious	44	808253.93	1889142.89		
# of Government Grants*				0.81	0.433
Religious	14	1019028.93	2014205.11		
Non-Religious	42	564497.86	1096521.87		
Program Services				0.38	0.704
Religious	14	4224175.79	13138243.47		
Non-Religious	45	3230161.56	6552776.30		
Investments*				1.19	0.259
Religious	13	2284340.38	6710680.46		
Non-Religious	45	78167.24	285827.60		
Total Revenue				1.27	0.208
Religious	15	9351733.53	15301327.49		
Non-Religious	46	5199894.83	9227706.82		
Children*				0.63	0.539
Religious	11	290.45	679.22		
Non-Religious	44	158.98	203.51		

Note: * indicates that equal variances were not assumed.

Table 4.16, continued

	n	Mean	SD	*t*	*p*
Days in Paid Care*				0.71	0.491
Religious	11	45018.64	108743.42		
Non-Religious	44	21363.61	29870.26		
Total annual budget				1.20	0.235
Religious	15	20389025.33	31773638.86		
Non-Religious	44	8864979.25	32223277.92		
% of your budget from TDFPS				-1.67	0.102
Religious	13	25.85	27.14		
Non-Religious	42	43.36	34.66		
% of agency budget from TDFPS				-3.23	0.002
Religious	15	29.93	28.63		
Non-Religious	44	60.95	33.11		

Note: * indicates that equal variances were not assumed.

Three separate one-way (religious affiliation: yes, no) MANOVAs were conducted to examine the effect of religious affiliation on how the director rated the relationship with TDFPS as well as attitudes on government roles and attitudes on management. A one-way (religious affiliation: yes, no) MANOVA was used to examine the impact of religious affiliation on the agency relationship with TDFPS (items Q1 through Q7). Means and standard deviations are presented in Table 4.17. The results indicated a significant multivariate effect for religious affiliation, $F(7, 50) = 2.78$, $p < .05$. Univariate analyses revealed a significant main effect for religious affiliation on services being almost exclusively financed by TDFPS or other government agencies,

$F (1, 56) = 6.66, p < .05$. Agencies with a religious affiliation reported less agreement to

this item ($M = 2.23$, $SD = 1.64$) than those without a religious affiliation ($M = 3.47$,

$SD = 1.49$).

Table 4.17 Means and Standard Deviations for Relationship Items by Religious Affiliation

	n	Mean	SD	F	p
Agency fills need for services.				2.13	0.150
Religious	13	4.38	0.77		
Non-Religious	45	4.71	0.69		
TDFPS funds must be supplemented.				2.09	0.154
Religious	13	5.00	0.00		
Non-Religious	45	4.67	0.83		
TDFPS viewed as a partner.				0.45	0.506
Religious	13	3.46	1.05		
Non-Religious	45	3.71	1.22		
Services funded by government.				6.66	0.012
Religious	13	2.23	1.64		
Non-Religious	45	3.47	1.49		
Pushes for changes in public policies.				0.70	0.407
Religious	13	4.08	0.86		
Non-Religious	45	3.80	1.10		
Regulator-regulatee Relationship.				0.72	0.400
Religious	13	3.62	0.87		
Non-Religious	45	3.31	1.20		
Adversarial Relationship.				0.12	0.729
Religious	13	2.38	1.04		
Non-Religious	45	2.51	1.18		

4.4.4 Assets

Three separate MANOVAs were conducted to evaluate the agency director's ratings of their relationship with TDFPS, views on government, and views on management. A one-way (assets: low vs. high) MANOVA was conducted on the seven items that served to assess the agency's relationship with TDFPS. The means and standard deviations are presented in Table 4.18. There was a significant multivariate effect for assets, $F (7, 51) = 5.32$, $p < .001$. Univariate analyses revealed a significant effect for assets on services being exclusively financed by TDFPS, $F (1, 57) = 23.43$, $p < .001$. Agencies with fewer assets had higher mean scores ($M = 4.10$, $SD = 1.21$) than those with more assets ($M = 2.43$, $SD = 1.43$). There was also a significant effect for assets on agency relationship with TDFPS being one of regulator-regulatee, $F (1, 57) = 7.37$, $p < .01$. Those with fewer assets had higher scores ($M = 3.83$, $SD = 1.04$) compared to those with more assets ($M = 3.07$, $SD = 1.11$). Finally, there was a significant effect for assets on the ratings of the relationship with TDFPS as primarily adversarial, $F (1,57) = 4.83$, $p < .05$. Agencies with fewer assets had higher mean scores ($M = 2.86$, $SD = 1.16$) than those with more assets ($M = 2.23$, $SD = 1.04$).

4.4.7 Total Revenue

A second one-way (revenue: low vs. high) MANOVA was conducted to examine differences on views on government. Means and standard deviations are presented in Table 4.19. There was a significant multivariate effect for revenue, $F (4, 57) = 2.73$, $p < .05$. Univariate analyses revealed a significant effect on the need for strong government institutions to respond to the social needs in society, $F (1, 60) = 3.42$, $p <$

.05. Agencies with higher revenue had higher mean scores ($M = 3.97, SD = .71$) than those with lower revenue ($M = 3.42, SD = 1.29$).

Table 4.18 Means and Standard Deviations for Relationship Items by Level of Assets

	n	Mean	SD	F	p
Agency fills need for services.				3.97	0.051
Low Assets	29	4.83	0.38		
High Assets	30	4.47	0.90		
TDFPS funds must be supplemented.				0.02	0.896
Low Assets	29	4.76	0.51		
High Assets	30	4.73	0.91		
TDFPS viewed as a partner.				1.18	0.283
Low Assets	29	3.79	1.18		
High Assets	30	3.47	1.14		
Services funded by government.				23.43	0.000
Low Assets	29	4.10	1.21		
High Assets	30	2.43	1.43		
Pushes for changes in public policies.				0.23	0.633
Low Assets	29	3.93	1.10		
High Assets	30	3.80	1.00		
Regulator-regulatee Relationship.				7.37	0.009
Low Assets	29	3.83	1.04		
High Assets	30	3.07	1.11		
Adversarial Relationship.				4.83	0.032
Low Assets	29	2.86	1.16		
High Assets	30	2.23	1.04		

Table 4.19 Means and Standard Deviations for Government Items by Total Revenue

	n	Mean	SD	F	p
Government should promote a good life.				0.74	0.394
Low Revenue	31	3.58	1.15		
High Revenue	31	3.81	0.91		
Respond to the needs.				4.34	0.042
Low Revenue	31	3.42	1.29		
High Revenue	31	3.97	0.71		
Artificial controls on the economy.				0.02	0.886
Low Revenue	31	3.58	0.99		
High Revenue	31	3.61	0.76		
Support rights.				0.98	0.325
Low Revenue	31	4.10	1.08		
High Revenue	31	3.87	0.67		

4.4.5 Contributions

A one-way (contributions: low, high) MANOVA was conducted on the seven items that assessed the agency's relationship with TDFPS. Means and standard deviations are presented in Table 4.20. There was a significant multivariate effect for contributions, $F_{(7, 49)} = 4.83$, $p < .001$. Univariate analysis revealed a significant effect on TDFPS funds not covering the cost of services and agencies must be supplement, $F_{(1, 55)} = 5.01$, $p < .05$. Agencies with more contributions had higher mean scores ($M = 5.00$, $SD = .00$) than agencies with lower contributions ($M = 4.63$, $SD = .85$). There was also a significant effect for contributions on services being almost exclusively financed by TDFPS, $F_{(1, 55)} = 21.50$, $p < .001$. Agencies with lower contribution levels had higher mean scores ($M = 3.97$, $SD = 1.27$) than agencies with

higher contribution levels ($M = 2.33$, $SD = 1.39$). There was also a significant effect for contribution level on the agency's relationship with TDFPS being primarily one of regulator-regulatee, $F(1, 55) = 6.27$, $p < .05$. Agencies with lower contributions had higher mean scores ($M = 3.77$, $SD = 1.14$) than those with higher contribution levels ($M = 3.04$, $SD = 1.06$).

Table 4.20 Means and Standard Deviations for Relationship Items by Contribution Level

	n	Mean	SD	F	p
Agency fills need for services				0.31	0.578
Low Contributions	30	4.70	0.79		
High Contributions	27	4.59	0.64		
TDFPS funds must be supplemented				5.01	0.029
Low Contributions	30	4.63	0.85		
High Contributions	27	5.00	0.00		
TDFPS viewed as a partner				0.00	0.991
Low Contributions	30	3.63	1.30		
High Contributions	27	3.63	1.04		
Services funded by government				21.50	0.000
Low Contributions	30	3.97	1.27		
High Contributions	27	2.33	1.39		
Pushes for changes in public policies				0.66	0.421
Low Contributions	30	4.00	0.98		
High Contributions	27	3.78	1.09		
Regulator-regulatee Relationship				6.27	0.015
Low Contributions	30	3.77	1.14		
High Contributions	27	3.04	1.06		
Adversarial Relationship				2.94	0.092
Low Contributions	30	2.77	1.17		
High Contributions	27	2.26	1.06		

4.4.6 Administrator Characteristics

The administrator characteristic variables included basic demographics as well as the number of years of experience in different agency roles. The frequencies for the continuous variables were examined and recoded into dichotomous variables based on the median for each variable. As shown in Table 4.21, approximately 50% of the values fall into each level of the variable. The administrators of the agencies were asked to report the number of years of experience he or she had obtained in various types of organizations. The total years of experience in the private sector was coded so that two years or less was categorized as "low" and more than two years was categorized as "high". The number of years of experience in the private sector at the management level was coded so that less than two years was classified as "low" and two years or more was classified as "high." The total years of experience in the public sector was recoded into "no years" or "any years." Similarly, the number of years of experience in the public sector and at the management level was recoded into "no years" or "any years." The total years of experience in the nonprofit sector was coded so that 20 years or less was considered "low" and 20 years or more was considered "high." The number of years of experience in the nonprofit sector at the management level was coded so that fewer than 15 years of experience was categorized as "low" and 15 or more years was categorized as "high."

Table 4.21 Administrator Demographics

	n	%
Total Years in Private Sector		
Low	29	45.3
High	31	48.4
Total Years in Public Sector		
None	32	50.0
Some	27	42.2
Total Years in Non Profit		
Low	28	43.8
High	31	48.4

Note: Frequencies not adding to 64 and percentages not totaling 100 reflect missing data.

A series of analyses were conducted to examine potential differences between these dichotomous variables and agency financial characteristics and relationship with TDFPS, as well as the director's views on government and management. Specifically, a series of independent samples t-tests were conducted to examine group differences on the agency financial characteristic items. In addition, Pearson's chi-square tests and multivariate analysis of variance (MANOVAs) were utilized to evaluate group differences in the items measuring attitudes on the role of the government and management, as well as items assessing the agency's relationship with TDFPS. None were significant

4.4.7 Independent Variable Correlations

Pearson's Product Moment Correlations were utilized to examine the relationship between these seven relationship questions in the survey and the other independent variables (see Tables 4.22, 4.23, 4.24).

Table 4.22 Pearson's Product Moment Correlations between Relationship Items and Agency Characteristics

	Agency fills need for services	TDFPS funds must be supplemented	TDFPS viewed as a partner	Services funded by government	Pushes for changes in public policies	Relationship with TDFPS is regulator-regulatee	Adversarial Relationship with TDFPS
Agency age (years)	0.010	0.286*	0.116	-0.481**	0.158	-0.366**	-0.179
Days of Paid Child Care	0.159	0.027	0.130	-0.057	0.319*	-0.055	0.055
Assets	0.050	0.080	-0.163	-0.192	0.017	-0.085	0.094
Total Revenue	0.031	-0.110	0.162	-0.089	0.002	-0.279*	-0.141
Contributions	-0.016	0.151	0.046	-0.316*	-0.067	-0.324*	-0.151
Governments Grants	-0.115	0.076	0.110	-0.048	0.101	-0.001	-0.035
Program Services	0.031	-0.245	0.203	-0.005	0.068	-0.243	-0.151
Other	0.071	0.049	0.170	0.055	-0.225	-0.179	-0.191
TDFPS Paid	0.177	0.002	0.219	-0.052	0.275*	-0.169	0.006
Percent of total budget from TDFPS	0.331**	0.001	0.177	0.742**	0.083	0.173	0.201
Ideal % of budget from TDFPS	0.248	0.142	0.350**	0.374**	-0.180	-0.057	-0.068
Endowment (dollar value)	0.074	0.054	0.117	-0.203	0.156	-0.182	-0.147
Religious Affiliation	0.158	-0.191	0.103	0.342**	-0.119	-0.164	0.030
Member of TACFS	-0.039	-0.111	-0.177	0.173	-0.386**	0.119	0.220

Note: * $p < .05$; ** $p < .01$

Table 4.23 Pearson's Product Moment Correlations between Relationship Items and Administrator Characteristics

	Agency fills need for services	TDFPS funds must be supplemented	TDFPS viewed as a partner	Services funded by government	Pushes for changes in public policies	Relationship with TDFPS is regulator-regulatee	Adversarial Relationship with TDFPS
Administrator Characteristics							
Age	0.037	0.154	-0.088	-0.108	0.194	0.149	0.161
Highest Education	0.040	0.113	0.095	-0.164	0.050	-0.152	-0.156
Years of Experience - Private Sector	-0.340**	-0.274*	0.157	0.236	0.058	-0.129	-0.108
Years of Management Experience - Private Sector	-0.074	0.048	0.084	0.097	0.056	-0.061	-0.014
Years of Experience - Public Sector	0.228	0.104	0.073	0.019	0.031	0.167	0.310*
Years of Management Experience - Public Sector	0.080	0.088	0.063	-0.059	-0.022	0.106	0.311*
Years of Experience - NonProfit Sector	0.215	0.172	-0.216	-0.230	-0.057	0.101	0.173
Years of Management Experience - NonProfit Sector	0.174	0.175	-0.195	-0.162	0.067	0.064	0.185

Note: $* p < .05; ** p < .01$

Table 4.24 Pearson's Product Moment Correlations between Relationship Items and Administrator
Views on Government and Management

	Agency fills need for services	TDFPS funds must be supplemented	TDFPS viewed as a partner	Services funded by government	Pushes for changes in public policies	Relationship with TDFPS is regulator-regulatee	Adversarial Relationship with TDFPS
Q9. The Federal Government should take an active role in promoting the good life for citizens.	0.074	0.203	0.303*	-0.008	-0.094	-0.332**	-0.182
Q10. There should be strong government institutions to respond to social needs in society.	-0.020	0.089	0.347**	0.032	0.079	-0.272*	-0.192
Q11. The Federal Government should not impose artificial controls on the economy.	0.251	0.149	-0.065	-0.045	0.140	0.143	0.160
Q12. A major role of the Federal Government should be to support the rights of individuals.	0.213	0.406**	0.203	0.086	-0.028	0.069	-0.039
Q14. The private sector is more efficient than the government.	0.200	0.145	-0.371**	0.001	0.090	0.350**	0.404**
Q15. The private sector is more effective than the government.	0.245	0.183	-0.250	0.121	0.069	0.347**	0.385**
Q16. The government should rely more on the business sector to deliver public services.	0.035	-0.081	0.018	-0.042	0.067	0.016	0.233
Q17. The government should rely more on the nonprofit sector to deliver public services.	0.104	0.240	-0.177	-0.225	-0.029	-0.111	0.115

Note: * $p < .05$; ** $p < .01$

Table 4.24, continued

	Agency fills need for services	TDFPS funds must be supplemented	TDFPS viewed as a partner	Services funded by government	Pushes for changes in public policies	Relationship with TDFPS is regulator-regulatee	Adversarial Relationship with TDFPS
Q18. The Federal Government should be downsized.	0.113	-0.003	-0.223	-0.007	0.083	0.346**	0.353**
Q19. More duties of the federal government should be devolved to state and local governments.	0.128	0.085	-0.229	0.009	0.100	0.420**	0.314*
Q20. Business management practices should be adopted by nonprofit agencies to increase efficiency.	0.283*	0.207	0.085	-0.074	0.201	0.039	-0.039
Q21. Market based approaches in the nonprofit sector can do little to promote issues of justice.	0.030	0.129	0.098	-0.030	0.044	0.000	-0.036
Q22. The adoption of business management practices seldom reduces the costs of providing services.	-0.158	-0.078	-0.268*	-0.026	-0.181	0.087	0.169
Q23. Society should be cautious in moving the provision of public services from government to the business sector.	0.017	0.276*	-0.086	-0.110	0.069	0.032	-0.055
Q24. Society should be cautious in moving the provision of public services from government to the nonprofit sector.	-0.063	0.056	-0.021	-0.023	0.084	-0.006	-0.004

Note: $* p < .05$; $** p < .01$

There was a significant negative correlation between Item 1 (*Our agency fulfills a need for services that is not otherwise met by TDFPS*) and the number of years the administrator worked in the private sector, $r(59) = -.34$, $p < .01$. The longer that the administrator has worked in the private sector was associated with less agreement with the statement that the agency fulfills a need for services not otherwise met by TDFPS. Item 1 was significantly positively correlated with Item 20 (*Business management practices should be adopted by nonprofit agencies to increase efficiency*), $r(63) = .28$, $p < .05$, and Item 27 (*What percent of the total agency budget comes from TDFPS*), $r(60) = .33$, $p < .01$. The more that the administrator viewed the agency as fulfilling a need for services not provided by TDFPS, the more the total percent of the agency's budget came from TDFPS as well as the level of agreement that business practices should be adopted to increase efficiency, however these relationships were weak to moderate in strength (Cohen & Cohen, 1975).

Item 2 (*The funds paid to our agency by TDFPS do not cover the cost of services and we must supplement those funds*) was significantly positively correlated with agency age, $r(59) = .29$, $p < .05$, Item 12 (*A major role of the Federal Government should be to support the rights of individuals*), $r(61) = .41$, $p < .001$ and Item 23 (*Society should be cautious in moving the provision of public services from government to the business sector*), $r(61) = .28$, $p < .03$. Older agencies were associated with needing to supplement TDFPS funds. In addition, agencies that had to supplement TDFPS funds were associated with increased need to be cautious when moving from government services to the business sector and more agreement with the role of the

federal government to support individuals. The number of years the administrator reported working in the private sector was negatively correlated with Item 2, *r* (57) = -.27, *p* < .05, indicating that more years in the private sector was associated with less need to supplement TDFPS funds. Again these relationships were weak to moderate in strength (Cohen & Cohen, 1975).

Item 3 (*Our agency views TDFPS as our partner in the provision of child care services*) was significantly positively correlated with Item 9 (*The Federal Government should take an active role in promoting the good life for citizens*), *r* (62) = .30, *p* < .05, Item 10 (*There should be strong government institutions to respond to social needs in society*), *r* (63) = .35, *p* < .001 and Item 28 (*If it were totally in your control, what percent of your budget would you want to come from TDFPS*), *r* (54) = .35, *p* < .01. Item 14 (*The private sector is more efficient than the government*), *r* (62) = -.37, *p* < .01, and Item 22 (*The adoption of business management practices seldom reduces the costs of providing services*), *r* (63) = -.27, *p* < .05, were negatively correlated with Item 3(*Our agency views TDFPS as our partner in the provision of child care services*).

Multiple Regression analysis with these items revealed that Item 14 (*The private sector is more efficient than the government*) (*Beta* = -.37, *p* < .05) and Item 28 (*If it were totally in your control, what percent of your budget would you want to come from TDFPS*) (*Beta* = .01, *p* < .05) were significant predictors of Item 3 (*Our agency views TDFPS as our partner in the provision of child care services*). Higher levels of Item 28 (*If it were totally in your control, what percent of your budget would you want to come from TDFPS*) predicted higher levels of Item 3 (*Our agency views TDFPS as our*

partner in the provision of child care services), whereas lower levels of Item 14 (*The private sector is more efficient than the government*) predicted higher levels of Item 3. Similar to the previous correlations, these relationships were weak to moderate in strength (Cohen & Cohen, 1975).

Item 4 (*Our services are almost exclusively financed by TDFPS or other government agencies*) was negatively correlated with agency age, $r(61) = -.48$, $p < .01$, and contributions, $r(60) = -.32$, $p < .05$. Older, more established agencies with the ability to raise funds were less likely to rely exclusively on government funds. Older agencies have the advantage of developing donor bases over the course of their history and many have endowment funds to help support their operations. This finding indicates that older agencies are more likely to have more diversified sources of income and are less dependent on government funds.

Item 4 (*Our services are almost exclusively financed by TDFPS or other government agencies*) was positively correlated with Item 28 (*If it were totally in your control, what percent of your budget would you want to come from TDFPS*), $r(60) = .374$, $p < .01$, and Item 27 (*What percent of the total agency budget comes from TDFPS*), $r(61) = .742$, $p < .001$.

Multiple Regression analysis with these items on Item 4 (*Our services are almost exclusively financed by TDFPS or other government agencies*) revealed that agency age (*Beta = 1.77*, $p < .05$) and Item 27 *(What percent of the total agency budget comes from TDFPS?)* (*Beta = .03*, $p < .001$) were significant predictors. Older agencies predict lower ratings on Item 4 (*Our services are almost exclusively financed by TDFPS*

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or other government agencies) and higher amounts on Item 27 (*What percent of the total agency budget comes from TDFPS?* predict higher ratings on Item 4.

There was a significant negative correlation between Item 5 (*Our agency pushes TDFPS for changes in public policy*) and TACFS membership status, r (58) = -.39, $p <$ .01. Item 5 was positively correlated with days in paid care, r (54) = .32, $p <$ .05, and total funds received from TDFPS, r (54) = .28, $p <$ .05.

Multiple Regression analysis using these items on Item 5 revealed that membership in TACFS was a significant predictor, (*Beta* = -.76, $p <$ .01). Membership in TACFS predicted higher ratings on Item 5.). Agencies belonging to TACFS were more likely to agree that their agency pushed TDFPS for changes in public policy.

Item 6 (*Our agency's relationship with TDFPS is primarily one of regulator-regulatee*) was negatively correlated with agency age, r (61) = -.37, $p <$ .01, total revenue, r (62) = -.28, $p <$ .05, contributions, r (60) = -.32, $p <$ .05, Item 9 (*The Federal Government should take an active role in promoting the good life for citizens*), r (62) = -.33, $p <$ .05, and Item 10 (*There should be strong government institutions to respond to social needs in society*), r (63) = -.27, $p <$ .05. Again these relationships were weak to moderate in strength (Cohen & Cohen, 1975).

Item 7 (*Our relationship with TDFPS is primarily adversarial*) was positively correlated with the number of years the administrator worked in the public sector, r (57) = .31, $p <$ .05, the number of years the administrator worked in management positions within the public sector, r (57) = .31, $p <$ .05, Item 14 (*The private sector is more efficient than the government*), r (61) = .40, $p <$ .01, Item 15 (*The private sector is more*

effective than the government), *r* (61) = .38, *p* < .01, Item 18 (*The Federal Government should be downsized*), *r* (62) = .35, *p* < .01, and Item 19 (*More duties of the federal government should be devolved to state and local governments*), *r* (62) = .31, *p* < .05. These relationships were also weak to moderate in strength (Cohen & Cohen, 1975).

4.4.8 *Preliminary Analysis: Agency Relationship with TDFPS*

The agency administrators rated their agency's relationship with TDFPS as either supplementary, complementary, or adversarial. A one-way (Supplementary vs. Complementary vs. Adversarial) Multivariate Analysis of Variance (MANOVA) was conducted to uncover potential differences between the agency's relationship with TDFPS and the agency's financial characteristics. The results failed to reveal significant differences. While there were differences in the relationships reported by the agencies, there was no correlation between the financial characteristics of the agency and the relationship. The financial strength or weakness of the agency was not a factor in the relationship.

A one-way (Supplementary vs. Complementary vs. Adversarial) MANOVA was also conducted on the 11 items measuring the administrator's view on management. The results failed to reveal significant differences.

A one-way (Supplementary vs. Complementary vs. Adversarial) MANOVA was also conducted on the four items measuring the administrator's view on the role of government. The results failed to reveal significant differences.

Finally, a one-way (Supplementary vs. Complementary vs. Adversarial) MANOVA was also conducted on seven items that measured the administrator's

evaluation of the agency's relationship with TDFPS. There was a significant multivariate effect for Relationship, $F(14, 112) = 2.99$, $p < .001$. Univariate analyses revealed significant effects for Item 3 (*view TDFPS as a partner in provision of child care services*), $F(2, 61) = 8.89$, $p < .001$, $MSE = 9.62$, Item 4 (*services are almost exclusively financed by TDFPS or other government agencies*), $F(2, 61) = 7.16$, $p < .01$, $MSE = 15.65$, Item 6 (Our agency's relationship with TDFPS is primarily one of regulator-regulatee), $F(2, 61) = 3.30$, $p < .05$, $MSE = 4.10$, and Item 7 (*Our relationship with TDFPS is primarily adversarial*), $F(2, 61) = 5.35$, $p < .01$, $MSE = 5.95$. Post hoc comparisons using Tukey's Test revealed that those with a Complementary relationship with TDFPS had significantly higher scores on Item 3 (*view TDFPS as a partner in provision of child care services*) ($M = 4.38$) than those with Supplementary ($M = 3.32$, $p < .05$) and Adversarial relationships ($M = 3.07$, $p < .05$). In addition, agencies with Supplementary relationships had significantly lower scores on Item 4 (*services are almost exclusively financed by TDFPS or other government agencies*) ($M = 2.29$) than those with Adversarial ($M = 3.73$, $p < .05$) and Complementary relationships ($M = 3.67$, $p < .01$). Agencies with Adversarial relationships had significantly greater scores on Item 6 (Our agency's relationship with TDFPS is primarily one of regulator-regulatee) ($M = 4.00$) than those with Complementary relationships ($M = 3.05$, $p < .05$). Finally, agencies with Complementary relationships had significantly lower scores on Item 7 (*Our relationship with TDFPS is primarily adversarial*) ($M = 1.91$) than those with Adversarial relationships ($M = 3.00$, $p < .05$) (See Table 4.25).

A series of crosstabs were utilized to examine differences between the relationship levels and demographic variables, including religious affiliation, type of care, education, gender, and age. The results failed to reveal significant differences.

Table 4.25 Means and Standard Deviations for Relationship Items by Relationship Type

	n	Mean	SD	F	p
Agency fills need for services				0.77	0.466
Supplementary	28	4.607	0.875		
Complementary	21	4.619	0.590		
Adversarial	15	4.867	0.352		
TDFPS funds must be supplemented				0.11	0.899
Supplementary	28	4.804	0.771		
Complementary	21	4.714	0.717		
Adversarial	15	4.733	0.594		
TDFPS viewed as a partner				8.89	0.000
Supplementary	28	3.321	1.124		
Complementary	21	4.381	0.669		
Adversarial	15	3.067	1.280		
Services funded by government				7.16	0.002
Supplementary	28	2.286	1.301		
Complementary	21	3.667	1.592		
Adversarial	15	3.733	1.624		
Pushes for changes in public policies				2.81	0.068
Supplementary	28	3.710	1.012		
Complementary	21	3.708	1.006		
Adversarial	15	4.400	0.910		
Regulator-regulatee Relationship				3.30	0.044
Supplementary	28	3.571	1.200		
Complementary	21	3.048	1.071		
Adversarial	15	4.000	1.000		
Adversarial Relationship				5.35	0.007
Supplementary	28	2.660	1.155		
Complementary	21	1.905	0.995		
Adversarial	15	3.000	0.926		

4.4.9 Preliminary Analysis: Agency Monitoring Plan Level

A one-way (Plan I vs. Plan II vs. Plan III) MANOVA was conducted to evaluate the relationship between the agency monitoring plan level and the agency's financial characteristics. The results failed to reveal significant differences. A one-way (Plan I vs. Plan II vs. Plan III) MANOVA was also conducted on the 11 items measuring the administrator's view on management. The results failed to reveal significant differences. A one-way (Plan I vs. Plan II vs. Plan III) MANOVA was also conducted on the four items measuring the administrator's view on the role of government. The results failed to reveal significant differences.

Finally, a one-way (Plan I vs. Plan II vs. Plan III) MANOVA was also conducted on seven items that measured the administrator's evaluation of the agency's relationship with TDFPS. Although the overall multivariate effect for Plan Level was not significant, $F(14, 82) = 1.56$, $p = .11$, univariate effects were examined to determine if any of the individual items were significant. The univariate analyses indicated significant effects for Item 3 (*view TDFPS as a partner in provision of child care services*), $F(2, 47) = 4.60$, $p < .05$, and Item 4 (*services are almost exclusively financed by TDFPS or other government agencies*), $F(2, 47) = 5.04$, $p < .05$, $MSE = 10.82$. Tukey's Post Hoc comparisons revealed that Plan II agencies had significantly higher scores on Item 3 (*view TDFPS as a partner in provision of child care services*) ($M = 4.19$) than Plan I agencies ($M = 3.00$). In addition, Plan II also had significantly greater scores on Item 4 (*services are almost exclusively financed by TDFPS or other government agencies*) ($M = 4.06$) than Plan III agencies ($M = 2.52$, $p < .01$).

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Table 4.26 Means and Standard Deviations for Relationship Items by Monitoring Plan
Level

	n	Mean	SD	F	p
Agency fills need for services				0.10	.903
Plan I	13	4.69	0.630		
Plan II	16	4.56	1.031		
Plan III	21	4.62	0.590		
TDFPS funds must be supplemented				0.14	.873
Plan I	13	4.62	0.870		
Plan II	16	4.69	1.014		
Plan III	21	4.76	0.539		
TDFPS viewed as a partner				4.60	.015
Plan I	13	3.00	1.291		
Plan II	16	4.19	0.834		
Plan III	21	3.48	1.078		
Services funded by government				5.04	.010
Plan I	13	3.31	1.797		
Plan II	16	4.06	0.929		
Plan III	21	2.52	1.569		
Pushes for changes in public policies				0.69	.507
Plan I	13	4.08	0.954		
Plan II	16	3.63	1.147		
Plan III	21	3.90	1.044		
Regulator-regulatee Relationship				0.45	.643
Plan I	13	3.69	1.109		
Plan II	16	3.31	1.138		
Plan III	21	3.38	1.161		
Adversarial Relationship				0.46	.632
Plan I	13	2.69	1.251		
Plan II	16	2.31	1.014		
Plan III	21	2.57	1.076		

A series of crosstabs were utilized to examine differences between the relationship levels and demographic variables, including religious affiliation, type of care, education, gender, and age. The results failed to reveal significant differences.

<u>4.5 Primary Analyses</u>

Multinomial logistic regression was conducted to examine the predictive value of agency and administrator characteristics on the agency's relationship with TDFPS (i.e., Supplementary, Complementary, Adversarial) and on the level of the monitoring plan (i.e., Plan I, Plan II, Plan III). All potential predictors were included in the initial analysis, however, many items had small sample sizes and were not suitable for inclusion. Among all of the variables included in the study, only significant variables, as determined through the *Wald* statistic are discussed and presented in the corresponding tables.

4.5.1 Hypothesis One: Agency Relationship

Hypothesis One. There is no relationship between the child care provider agency administrator's characterization of her/his agency's relationship with TDFPS as primarily supplementary, complementary, or adversarial and 1) child care provider agency characteristics, 2) child care provider agency financial characteristics, 3) child care provider agency administrator demographics, 4) child care provider agency administrator's opinion on the role of government, and 5) child care provider agency administrator's views on management.

The first relationship examined was the complementary relationship. Administrators who chose the follow statement (from three choices) were classified as having a complementary relationship. The survey statement was: "Our agency is in partnership with TDFPS, helping to deliver public goods largely financed by government. Our agency views TDFPS as a partner".

Based on preliminary analysis it was determined that the final model would include the following predictors: agency monitoring plan level, Item 3 (*view TDFPS as a partner in provision of child care services*), Item 4 (*services are almost exclusively financed by TDFPS or other government agencies*), Item 5 (*Our agency pushes TDFPS for changes in public policy*), Item 6 (*Our agency's relationship with TDFPS is primarily one of regulator-regulatee*), and Item 7 (*Our relationship with TDFPS is primarily adversarial*). Agencies characterized as having a Supplementary relationship with TDFPS served as the reference group in the analysis.

Four of the factors were found to be significant predictors of a complementary relationship. Participant's *view of TDFPS as a partner in provision of child care services* (Item 3), *services are almost exclusively financed by TDFPS or other government agencies* (Item 4), *the relationship with TDFPS is primarily adversarial* (Item 7), and *being on monitoring plan type II* were all significant predictors of a complementary relationship. The items found not to be significant predictors of a complementary relationship were: *agency pushes TDFPS for changes in public policy* (Item 5), *relationship with TDFPS is primarily one of regulator-regulatee* (Item 6), and *being on monitoring plan type I*.

For every one unit increase in agreement that they viewed TDFPS as a partner in provision of child care services, the odds of having a complementary relationship with TDFPS (vs. supplementary relationship) increased by a factor of 1.19. For every one unit increase in agreement that services are almost exclusively financed by TDFPS or other government agencies, the odds of having a complementary relationship with TDFPS (vs. supplementary relationship) increased by a factor of 1.23. For every one unit increase in agreement that their relationship with TDFPS is primarily adversarial, the odds of having a complementary relationship with TDFPS (vs. supplementary relationship) decreased by a factor of -1.099. By being on Plan 2, the odds of having a complementary relationship decreased by a factor of -2.288. The regression equation is:

Complementary = -3.89 + 1.191Q3 + 1.23Q4 – .304Q5 – .014Q6 – 1.099Q7 – 1.108PlanI – 2.288PlanII
  Relationship

In other words, the results indicated that agencies were more likely to have a Complementary relationship if they had higher scores on Item 3 (*participant's view of TDFPS as a partner in provision of child care services*) (*Odds Ratio* = 3.29, *p* < .05) and higher scores on Item 4 (*services are almost exclusively financed by TDFPS or other government agencies*) (*Odds Ratio* = 3.42, *p* < .001). Agencies were less likely to have a Complementary relationship if they had higher scores on Item 7 (*Our relationship with TDFPS is primarily adversarial*) (*Odds Ratio* = .333, *p* < .05) and if their plan level was Plan2 (*Odds Ratio* = .101, *p* < .05).

It must be noted that the first two items, Items 3 and Items 4, are restatements of the descriptions of the relationship so it is not surprising that these statements are predictors of the relationship statement.

The second relationship examined was the adversarial relationship. Administrators who chose the following statement (from three choices) were classified as having an adversarial relationship. The survey statement was: "Our agency pushes TDFPS to make changes in public policy and to maintain accountability to the public. Our agency relationship with TDFPS is one of being regulated by them while we advocate for policy changes."

Participant's view that services are almost exclusively financed by TDFPS or other government agencies (Item 4) was a significant predictor of an adversarial relationship, but participant's view of TDFPS as a partner in provision of child care services (Item 3), that their agency pushes TDFPS for changes in public policy (Item 5), that their agency's relationship with TDFPS is primarily one of regulator-regulatee (Item 6), that their relationship with TDFPS is primarily adversarial (Item 7), and plan type was not related to having an adversarial relationship.

For every one unit increase in agreement that services are almost exclusively financed by TDFPS or other government agencies, the odds of having an adversarial relationship with TDFPS (vs. supplementary relationship) increased by a factor of .889. The regression equation is:

$$\text{Adversarial Relationship} = -6.424 - .220Q3 + .889Q4 + 1.177Q5 + .180Q6 - .291Q7 - .824\text{Plan1} - 1.731\text{Plan2}$$

In other words, the agencies were more likely to have an Adversarial relationship (compared to supplementary) if they had higher scores on Item 4 *(services are almost exclusively financed by TDFPS or other government agencies)* (*Odds Ratio = 2.43, p < .01*) and higher scores on Item 5 *(our agency pushes TDFPS for changes in public policy)* (*Odds Ratio = 3.24, p < .05*) (Table 4.27)

Hypothesis 1 tested the research question: What factors influence the relationship between nonprofit child care providers and the Texas Department of Family and Protective Services? These findings indicate that there are differences in the relationships between TDFPS and the contract agencies but that the structural factors identified are not predictors of the relationship. The quantitative data seems to indicate that the social dimensions of the relationships are more important than structural factors such as financial considerations.

4.5.2 Hypothesis Two: *Agency Monitoring Plan Level*

Hypothesis Two: There is no relationship between the child care provider agency administrator's characterization of her/his agency's relationship with TDFPS as primarily supplementary, complementary, or adversarial and the agency's policy compliance record as indicated by the level of their monitoring plan.

The predictors selected for inclusion in the model included the agency's relationship with TDFPS, Item 3 (*view TDFPS as a partner in provision of child care services*), Item 4 (*services are almost exclusively financed by TDFPS or other government agencies*), Item 5 (*Our agency pushes TDFPS for changes in public policy*), Item 6 (*Our agency's relationship with TDFPS is primarily one of regulator-regulatee*),

and Item 7 (*Our relationship with TDFPS is primarily adversarial*). Agencies with a

Plan1 monitoring plan served as the reference group in the analysis.

Table 4.27 Odds Ratios for Relationship Items and Relationship Type from Multinomial
Logistic Regression Analysis

	B	SE	Odds Ratio	95% CI		*p*
Complementary						
Item 3 Partner	1.191	0.554	3.291	1.110	9.754	0.032
Item 4 Exclusively	1.230	0.386	3.420	1.605	7.288	0.001
Item 5 Pushes	-0.304	0.440	0.738	0.312	1.745	0.489
Item 6 Regulatee	-0.014	0.406	0.986	0.445	2.186	0.972
Item 7 Adversarial	-1.099	0.538	0.333	0.116	0.956	0.041
Plan I	-1.108	1.072	0.330	0.040	2.701	0.302
Plan II	-2.288	1.158	0.101	0.010	0.982	0.048
Adversarial						
Item 3 Partner	-0.220	0.420	0.803	0.352	1.829	0.601
Item 4 Exclusively	0.889	0.317	2.433	1.308	4.527	0.005
Item 5 Pushes	1.177	0.535	3.244	1.137	9.258	0.028
Item 6 Regulatee	0.180	0.463	1.197	0.483	2.966	0.697
Item 7Adversarial	-0.291	0.491	0.748	0.286	1.957	0.553
Plan I	-0.824	0.955	0.439	0.067	2.850	0.388
Plan II	-1.731	1.139	0.177	0.019	1.649	0.128

Note: The reference category is Supplementary Relationship.

Participant's view of TDFPS as a partner in provision of child care services

(Item 3) was a significant predictor of having an Agency Monitoring Plan Level II, but

views that services are almost exclusively financed by TDFPS or other government

agencies (Item 4), that their agency pushes TDFPS for changes in public policy (Item

5), that their agency's relationship with TDFPS is primarily one of regulator-regulatee

(Item 6), that their relationship with TDFPS is primarily adversarial (Item 7), and

relationship type was not related to being on Plan II.

For every one unit increase in agreement of TDFPS as a partner in provision of child care services, the odds of being on Plan 2 (vs. Plan I) increased by a factor of .973. The regression equation is:

Plan II = -4.033 + .973Q3 + .506Q4 - .505Q5 - .131Q6 + .354Q7 + .803Supplement. + .054Complement.

The results indicated that the odds of having a Plan II monitoring level was predicted by higher scores on Item 3 *(view of TDFPS as a partner in provision of child care services)* (*Odds Ratio* = 2.65, *p* < .05). In addition, higher scores on Item 4 *(services are almost exclusively financed by TDFPS or other government agencies)* were associated with a marginal increase in the odds of having a Plan II monitoring level (*Odds Ratio* = 1.66, *p* = .09). The results failed to indicate any significant predictors for the Plan III monitoring level (Table 4.28).

Hypothesis 2 tested the proposition that the child care administrator's characterization of the relationship between the child care provider agency and TDFPS as primarily supplementary, complementary, or adversarial would be a factor in the agency's level of policy compliance as indicated by their monitoring plan level. This proposition was not supported. Twenty-six (26%) reported a level I monitoring plan indicating the highest level of monitoring and therefore the least compliance with policy outcomes as outlined by minimum standards of child care. Thirty-two percent (32%) reported level II monitoring plans indicating a record of few deficiencies and deficiencies that are corrected on time. Forty-two (42%) reported the lowest level of

monitoring and therefore, a record of few deficiencies that are promptly corrected. This

finding indicates that the relationship between TDFPS and agencies is not a predictor of

their monitoring plan level.

Table 4.28 Odds Ratios for Relationship Items and Plan Type from
Multinomial Logistic Regression Analysis

	B	SE	Odds Ratio	95% CI		p
Plan II						
Item 3 Partner	0.973	0.448	2.645	1.100	6.362	0.030
Item 4 Exclusively	0.506	0.301	1.659	0.919	2.992	0.093
Item 5 Pushes	-0.505	0.434	0.604	0.258	1.412	0.245
Item 6 Regulatee	-0.131	0.405	0.877	0.396	1.941	0.746
Item 7 Adversarial	0.354	0.463	1.425	0.575	3.532	0.444
Supplementary Relationship	0.803	1.138	2.231	0.240	20.752	0.481
Complementary Relationship	0.054	1.200	1.056	0.101	11.084	0.964
Plan III						
Item 3 Partner	0.385	0.366	1.469	0.718	3.009	0.293
Item 4 Exclusively	-0.322	0.246	0.725	0.448	1.173	0.190
Item 5 Pushes	-0.442	0.392	0.643	0.298	1.387	0.260
Item 6 Regulatee	0.078	0.375	1.081	0.519	2.254	0.835
Item 7 Adversarial	0.263	0.414	1.301	0.578	2.927	0.525
Supplementary Relationship	-0.981	0.917	0.375	0.062	2.262	0.285
Complementary Relationship	-0.022	1.055	0.978	0.124	7.735	0.983

Note: The reference category is Plan I.

4.6 Qualitative Findings

The last question on the administrator's survey was *please comment on your relationship with TDFPS and how you think that relationship impacts the effectiveness of your agency in providing services to children.*

Of all the responses, 34% were characterized as positive, 39% were negative, and 27% were a mixture of positive and negative comments. Several themes emerged from the qualitative data. The themes identified from the qualitative data are:

1. Relationships between the agencies vary by TDFPS units

2. Individual relationships matter

3. TDFPS operating under pressure causes paranoia in relationships.

4. Funding to contractors is inadequate

5. Some administrators advocate privatization and others oppose it

6. TDFPS favors foster care and devalues other placement options

4.6.1 Relationships between the agencies vary by TDFPS units

When asked to comment on the overall relationship, administrators often responded with answers about working with three different divisions of TDFPS: Contract Division, Licensing Division, and the Child Protective Services Division. Some reported good working relationships with their particular contract manager but a poor relationship with their licensing representative and state level administrators. Others reported good working relationships with the Child Protective Services workers but strained relations with other units. Some administrators reported good relationships

with all the divisions of TDFPS. The following is an example of responses that indicated different relationships with different division of TDFPS:

The administrator of a large residential treatment program stated:

Despite successfully serving most challenging placements (intense service level) with positive outcomes, there is a strained relationship with TDFPS (contracts), although there is a positive relationship with the TDFPS residential licensing division. We tend to spend an inordinate amount of time getting documentation in a format that satisfies contract monitors. Those efforts and time could be better utilized in direct services to children. We feel like we spend more time responding to bureaucratic mandates than we should. (Truth be told, though, their have been a couple of times when their directives have helped us focus on specific opportunities for improvement.) We have at time also questioned how much the 3 branches of DFPS (licensing, CPS, contracting) coordinate their efforts.

The administrator of a small agency almost entirely dependent on TDFPS for funds stated:

While we would prefer to have the "partnership" relationship with TDFPS, we do not see very much evidence that they care to partner with the providers. …….. We don't have much confidence in licensing. The contracts arm of TDFPS is just as bad. While they demand answers about direct care staff turnover, a high burnout job, we have had five contract managers in the past 12 months. TDFPS is dysfunctional! We have conflicting requirements

between Lic and Contracts. Someone at TDFPS should have the best interest of the kids in mind instead of personal job protection or promotion. They are big on more and more rules and requirements, but they are woefully short on common sense!

4.6.2 Individual Relationships Matter

Many times relationships were described with individual employees of TDFPS. The Administrator of a specialized residential treatment center stated:

Our relationship with TDFPS is positive because of our clinical director, she works very hard to maintain a good relationship with TDFPS.

An administrator with over 20 years experience in the nonprofit sector gave the following assessment of her agency's relationship with TDFPS:

Most of the FPS personnel are great to work with & have a very hard job. However, the few who are power hungry, untreated for their own abuse, crazy, & unmonitored/unchecked do more harm to children than good. Currently the attitude remains, as it has since (name omitted) reigned terror over the providers, to be FPS AGAINST the providers, treating us like LACKEYS, NOT listening to anything providers have to say. It makes our passion for kids get so watered down in minutia. Their micromanagement of providers & the incredible lack of accountability on the FPS side makes this job seem insurmountable. …Providers currently feel unheard, unappreciated, & totally disregarded except for being regulated to death.

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One administrator of an agency that is totally financially dependent on TDFPS indicated that she would be pleased if her agency could operate with no funding from TDFPS:

> I have made a point, through the years, to develop relationships with TDFPS staff that I recognize share the same core values as myself and our staff. These persons have been invaluable in impacting the care of our children in a very positive manner. These impacts could be a 'simple' as needing paperwork for the child, or as complex as needing intervention when a case worker is not doing their job and a child is about to be returned to an inappropriate situation. I believe that you could ask our RCCL representative and our RCM, about our relationship with the Department and they will tell you that we impact everything we do in a manner to insure the best possible outcome for the children placed in our care.

4.6.3 TDFPS Operating Under Pressure Causes Paranoia in Relationships

Several respondents observed that TDFPS is under tremendous pressure from the Texas Legislature and the public due to the death of children in substitute care. One respondent summed up the situation as follows in describing his agency's relationship with TDFPS:

> While not adversarial, it has certainly been strained since the publication of Strayhorn's Forgotten Children. Set upon by the public, the legislature and others, DFPS over-reacted.

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Forgotten Children was a scathing report of the performance of TDFPS in providing residential care for children. In the executive summary of the report, Comptroller Strayhorn's assessment of the state of residential child care in Texas was that "the system reflects a legacy of weak leadership; an atmosphere of helpless acquiescence to the status quo; a reluctance to look too closely into dark corners; and a culture of self-protection and buck-passing." The report stated that TDFPS "uses limited taxpayer dollars inefficiently and offers caregivers a perverse financial incentive to keep children in restrictive environments by paying them more money to provide children with expensive and restrictive placements, and offering them little incentive to help children return to their homes or become adopted" (Strayhorn 2004).

It is clear that the political pressures on TDFPS have affected the relationship between the agencies and TDFPS. Some of the respondents noted that there has been a change in the relationship over the past few years. A long time administrator with a long history of dealing with TDFPS observed, "It was a partnership but they have switched more to adversarial & policing." Another administrator perceives a change in relationship in the last four years.

> The licensing branch, particularly the leadership has become highly adversarial in the past four years. They have made agencies comply with brute force and intimidation of license revocation. Agencies have become so risk adverse and focused on liability that it has hurt the state's ability to place the most difficult children. The ones that need services the most.

This branch of TDPRS must be reorganized or heavily monitored or it will

become a crisis for Texas.

A long time residential treatment center administrator characterized the relationship as an atmosphere of paranoia in the follow response.

For the past (over 20) years I have been truly shocked in relationship to the indifference, and aggressive, adversarial role that CPS has engaged in with treatment centers in general (to include our own). I find their interactions to be arbitrary and oppressive. The general attitude is one of warehousing rather than serving. Much of their "interpretation" of standards is subjective rather than objective and they offer little or no support to those who provide services on a daily basis. The general atmosphere created by TDFPS is one of persistent paranoia on the part of service providers. This creates, even in the best of situations, a tense difficult situation between client and provider. Standards are such that the client is deprived of any hope of a normal involvement in the process of life. Offering normal experiences in provisions of services puts the provider at risk. One of the most damaging aspects of TDFPS and RCCL is the constant movement of young people within the system. The current level system, which has been and is challenged routinely is harmful to client capacity for positive growth and maturation. The system, which seems to be unquestioned by CPS, results in the inability of clients to form stable, long-lasting relationships. I have seen hundreds of victims of this type of approach. Clients who have done very well regress because of

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movement in the system – a never ending vicious cycle. Caseworkers, while a mixed lot, are overworked and oppressed as well. This also effects negatively on the client. A caseworker may not have contact with a client due to excessive amounts of responsibility associated with high caseloads. It would be wonderful to actually see this whole group of people begin to work with one another instead of against each other. TDFPS has to learn to set the pace in this regard because they establish the guidelines which must be followed. They need to become actively involved in the development of a system which promotes client development rather than hinder it. There is a vast difference between law and arbitrary rules. This difference becomes even more pronounced when arbitrary rules are then addressed in a subjective manner. The care provider is the life line for the client. Lack of money, lack of communication with TDFPS/RCCL and caseworkers, in general, makes success nothing short of a miracle as opposed to a process in normal development. Throw in an economic "excuse" to move clients every so many months and you have a formula which produces the next generation of failure.

The administrator of a small thirty year old agency stated:

It's no longer about working together toward serving children and their families. It's becoming more about 'let's see who we can hold accountable so we don't have to take the heat.' It's as if we are trying to mass produce health(sic) children and families so the bad press will stop.

4.6.4 Funding to Contractors is Inadequate

There is strong sentiment that the agencies are not paid adequately for the services they provide. Administrators from all types of agencies and administrators, with a great deal of experience, as well as those with very little experience, were almost unanimous in their dissatisfaction with the funding levels paid by TDFPS. One administrator characterized the funding levels as an issue that would be a problem in either the current or proposed privatized system.

Even administrators with little financial dependency on TDFPS state that the reimbursement rates are too low. An administrator from an agency that receives less that 1% of their funding from TDFPS stated.

> Our relationship is fine, but the funding levels are too low & the standards do not parallel with our ICF/MR standards. The LOC system punishes agencies for doing a good job with their clients by lowering the reimbursement rate when the child shows improvement. Still, in order to maintain the level of improvement, the same level of supervision is required. This system needs to be revisited & revised.

The administrator of a large financially strong agency placed the funding levels paid by TDFPS in the context of other issues between the providers and TDFPS in stating:

> TDFPS is bureaucratic, unresponsive, and overwhelmed. They have some very dedicated long term staff but most of workforce are inexperienced and lack supervision. They do not view private agencies as partners but

see us as vendors needing to be controlled. Funding for residential programming is typically reimbursable for 80-85% of actual costs. Decisions are slow to come and the organization has great difficulty making decisions based on local needs and dynamics. Everything is decided in Austin to address statewide needs, not local needs. They also find it difficult to be involved in local collaborations and partnerships, even by local leaders, due to their intense workloads. Privatization holds many promises for better local responsiveness and innovative service delivery options. However, due to the lack of state funding provided to child welfare services, even privatized systems will fail if inadequate funding is allocated to provide quality care.

Other administrators made similar statements. One said, "daily reimbursement rates for moderate and specialized service levels are not adequate to meet all expectations of TDFPS." Another stated "we, of course, could benefit from TDFPS providing us with enough money to provide quality services for our residential clients." The following comments were typical of the opinions expressed by most of the administrators.

The daily rate doesn't begin to cover the daily additions to what providers are demanded to provide. Gas prices alone during the past 2 years make operating more & more difficult (on the current daily rates). They do not pay us reasonable fee for the services we provide (we are almost always close to dead last in the country in expenditures on children

and families). It is very difficult to provide all the services these children

need, in a quality manner, utilizing only the money provided by TDFPS

These qualitative findings are supported in the quantitative data in the administrator's agreement with the survey statement " TDFPS funds do not cover the cost of providing care and we must supplement those funds." Ninety-four percent (94%) agreed or strongly agreed with this statement.   Also, a TDFPS Cost Study (2005) provided to the Legislature showed that basic and moderate levels of care were reimbursed at a rate of approximately eighty percent (80%), while specialized and intensive services were covered closer to 100% of costs.

4.6.5 Some Administrators Advocate Privatization and Others Oppose it

One administrator supporting privatization states:

> I would love to have privatization, accountability, and performance based contracting. I think we should be accountable for our outcomes. I have never seen FPS in more of a state of crisis, making one poor decision and knee jerk reaction after another. There seems to be little real planning or forecasting. … . I think it does take an entity larger than business, or industry group to promote fairness, equity, and justice. It will take private providers partnering with FPS to provide excellent care that children and families deserve. We just wish our partner would show up at the table. An underfunded private system will be just as poor as an underfunded public system.

Privatization holds many promises for better local responsiveness and innovative service delivery options. However, due to the lack of state funding provided to child welfare services, even privatized systems will fail if inadequate funding is allocated to provide quality care.

The administrator of a small agency expresses concerns about privatization in her response.

Before I write about TDFPS, let me begin by saying that I do not believe that outsourcing/privatization is the answer. Govt. and big business are driven by greed and egos. I have seen the most efficient and the most effective efforts re: services to children by the smaller, nonprofits, including my own agency, of course! We've managed to serve more children and families with less money, in spite of what the most urgent legislators have mandated and have keep our admin. costs below 12%.

An administrator who had expressed great frustrations in her response to the open ended question had only one thing to say on the subject: **PRIVATIZE!**

4.6.6 TDFPS Favors Foster Care and Devalues Other Placement Options

The following comments were from administrators of agencies providing residential services other than foster care services.

Texas has a great system for investigation & removal. They don't seem to recognize the value of shelters & how useful they can be in finding a match for long term placement. They have improved over the past 10 years & we hope to promote the strides they have taken thus far. As with

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any business, the state business is only as good as their employees & they have made strides, but still have a ways to go.

Another said:

TDFPS considers traditional residential group homes to be less effective and valuable than foster families. Results consistently show the viability and long-term value of residential group homes. TDFPS needs to give a higher priority to placing children in residential group home.

One long term administrator sees the current preference for foster care a "pendulum swing" in the approach to child care.

Having been involved with Residential Treatment for over 20 years, I see the proverbial pendulum swinging toward foster care once again. DFPS will push for greater number of more severely disturbed children in foster homes until they begin to "blow out" of those homes as they have traditionally. The pendulum will swing back to RTSs until several children are injured @rogue facilities and the swing to foster care will swing again. DFPS is a political animal unable to find common ground. However, they do favor foster care as it represents the more financially feasible alternative for their limited funding. DFPS workers are helpless to stem they tide created by their politically motivated bureaucracy.

Finally, one administrator spoke of attempts to have older more established agencies partner more effectively with TDFPS.

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(Our agency) has participated in a 'no-pay' round table with DFPS staff to promote the "free" services available through our ministry. After many attempts to partner with DFPS, we have concluded that DFPS is focused much more on the promotion of foster homes than considering a facility like ours as an option for placement so DFPS children. Despite available beds at no cost to the state and a wonderful compliance record, DFPS seldom considers (our agency) as a viable placement option for children --- which is sad for kids and our state.

CHAPTER V

CONCLUSIONS

5.1 Summary of Primary Findings

This study tests the proposition that the relationships between the state agency funder and the contract provider are characterized by the administrator of the contract agency either as supplementary, complementary, or adversarial (Young, 1998) based on 1) child care provider agency characteristics, 2) child care provider agency financial characteristics, 3) child care provider agency administrator demographics, 4) child care provider agency administrator's opinion on the role of government, and 5) child care provider agency administrator's views on management. None of the factors proposed in the hypothesis could be identified as predictors of relationship.

The study also tests the proposition that the relationship between the state agency and the contract provider has an influence on the provider agency's achievement of the policy goals of the state, as evidenced by their level of monitoring. No relationship between the relationship status and the level of monitoring was found in the study.

The study, did however, reveal interesting demographic and attitude patterns in the preliminary findings. The qualitative data also provided insights into the relationships between TDFPS and the contract agencies. The following is a discussion of results from the preliminary findings.

5.2 Summary of Preliminary Findings

When asked to choose from the three descriptive statements of relationship, the child care administrators varied widely in their characterization. Forty-three percent (43%) characterized their relationship as supplementary, meaning that they saw their agency as filling a demand for public goods left unsatisfied by government and that they raised funds to meet the needs not met by government. Thirty-two percent (32%) characterized their relationship as complementary and said their agency was in partnership with TDFPS, helping to deliver public good largely financed by government. In the third group, twenty-three percent (23%) stated that their agency pushed TDFPS to make changes in public policy and to maintain accountability to the public. They saw their agency relationship with TDFPS as one being regulated by them while their agency advocated for policy changes. Young (1995) describes this as an adversarial relationship. It is important to note that when asked directly if their relationship with TDFPS was primarily adversarial, only nineteen (19%) indicated that this was the case. This seems to indicate that some agencies do not see pushing for policy change or primarily having a regulatory relationship as necessarily adversarial. This finding supports Dennis Young's (1998) theory that there are at least three levels of relationships between nonprofit agencies and government. However, in this study it appears that the relationship described by Young as "adversarial" could be viewed as a sub-set of the supplementary and complementary relationships. There can be adversarial elements within the supplementary and complementary relationships, and

the relationships described by Young as adversarial may contain elements of policy advocacy and not be viewed as adversarial.

While there were definite differences in the types of relationships, the relationships were not related to factors examined in this study. The qualitative data indicated that there were different kinds of relationships with different TDFPS components. Some administrators reported excellent relationships with contract managers and poor relationships with licensing representatives. Others reported excellent relationships with licensing representatives. Often the relationships at the local level were different from the relationships at the state level. Also the qualitative data indicates that it is often the personal relationship between the child care administrator and particular TDFPS employees that make the difference in the relationship with TDFPS.

Preliminary findings indicate that those agencies with the lowest level of compliance with the minimum standards of child care were less likely to view TDFPS as a partner in the provision of services to children. There are several possible explanations for this finding. It may be that agencies that are more closely monitored by TDFPS view TDFPS more as a policing agency rather than as a partner in their work. Another interpretation is that because there is not a partnership relationship, the agencies are not as committed to complying with the minimum standards of child care. Agencies less dependent on government funding appear to have a higher level of compliance than those agencies almost exclusively financed by TDFPS or other government agencies. Since 96% of all respondents reported that they had to raise

money to supplement the fees paid by the state, it appears that those who are successful in securing other resources are more likely to have the highest level of monitoring (Plan III).

The study finds several differences in the older and younger agencies. There was a wide range of agency ages with the oldest being established in 1885 and the youngest established in 2005. To analyze the differences based on age of the agency, older agencies were defined as those established in 1976 or earlier. Older agencies reported having significantly more assets that younger agencies and greater amounts of contributions. The average assets reported by older agencies were $2,515,134 while the average assets reported by younger agencies were $1,305,532. Those with higher assets were less likely to report that their services were almost exclusively financed by TDFPS

Younger agencies reported having a higher percentage of funds from TDFPS to support their budgets. Younger agencies reported an average of 69.8% of their budgets came from TDFPS, while older agencies reported an average of 37.3% of their budgets coming from TDFPS. Younger agencies were more likely to agree that their services were almost exclusively financed by TDFPS, and the more financially dependent the agency is on TDFPS, the more likely the administrator is to view their services as an extension of the government services provided by TDFPS.

Older agencies were more likely to report that TDFPS funds do not cover the costs of service and their agency must supplement the funds. Older, more established agencies with the ability to raise funds were less likely to rely exclusively on government funds. Older agencies have the advantage of developing donor bases over

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the course of their history, and many have endowment funds to help support their operations. Older agencies are more likely to have more diversified sources of income and are less dependent on government funds. While the older agencies have the ability to utilize other income sources, it is also possible that older agencies do not receive the number of referrals and associated contract dollars as do the younger agencies. Older more established agencies are more likely to have the financial strength and ability to supplement TDFPS funds and, therefore, to say that they must supplement these funds. Since almost all the agency administrators agree that the funds paid by TDFPS do not cover the cost of providing the services, it seems that this finding is a reflection that older agencies have the ability to supplement the funds, while younger agencies either do not have the ability or choose not to supplement the funding.

Even though older agencies were less dependent on TDFPS funds, the older agencies were less likely to characterize their relationship with TDFPS as primarily one of regulator-regulatee. Older agencies with more resources see TDFPS as more than a regulatory body. Many of the older agencies have a history of advocating for regulation of child care facilities and have advocated for additional funding and staffing for TDFPS to fulfill their role of protecting children. Older agencies have a long term relationship with TDFPS.   Many of the agencies and the administrators were instrumental in passing legislation to require licensing as a means of protecting children in care. Also, many older agencies are financially strong and, therefore, less impacted by policy changes than newer agencies. It seems that the older agencies take a broader

view of the role of TDFPS. Agencies with fewer assets were more likely to report their relationship with TDFPS as primarily adversarial.

Agencies that are religiously affiliated have a lower percentage of funds from TDFPS. Administrators of religiously affiliated agencies reported an average of 29.93% of their budgets came from TDFPS, while non-religiously affiliated agency administrators reported that 60.95% of their budgets came from TDFPS. Directors from agencies which were not religiously affiliated were more likely to report that their services were almost exclusively financed by TDFPS or other government agencies.

The child care administrators overwhelmingly accept the concepts of new public management. Over 70% of the respondents indicated that they agreed with the statement that private sector (business) is more efficient and effective than government, and that the nonprofit sector should adopt market-based management and resource allocation techniques. They also agreed that government should rely more on the business and nonprofit sector to deliver public services and that government should be downsized and decentralized. There is high agreement with the idea that business practices should be employed to reduce costs.

Administrators with a preference for private approaches and the desire to downsize government were more likely to characterize their relationship with TDFPS as adversarial. It may be that the administrator's distaste for government is a factor of having an adversarial relationship with TDFPS, or it may be that the adversarial relationship colors the administrator's view of government. Agencies with higher

revenue were more likely to express the need for strong government institutions to respond to the social needs in society.

Administrators who perceive a partnership with TDFPS also have a positive view of the role of government in the society and would desire to have a higher percentage of their income to come from TDFPS.

The longer the administrator worked in the private sector, the less likely they were to see themselves as fulfilling a need not met by TDFPS. Administrators with more experience in the business sector were less likely to view their agency as providing a government function. They did not see their services as something that should be provided by government, but rather as a service provided outside the scope of government responsibility. It seems that administrators with a business background were more likely to see their task as providing services within the limits of what TDFPS could pay for the services rendered.

The more time an administrator worked in the public sector, the more likely she/he was to view their relationship with TDFPS as adversarial. This finding indicates that those who had worked in government had a low opinion of the role of government and tended to have an adversarial relationship with the government agency.

Those who consider themselves partners with TDFPS have a positive view of the role of government in society. Administrators who see their work as being in partnership with a government agency, TDFPS, tend to have a more positive view of the government role. They view the government as having an obligation to take an active role in the well being of the citizens. Administrators who view themselves as partners

with TDFPS would like to have a higher percentage of TDFPS funds in their budget, and those with a higher percentage of TDFPS funds desire to have an even higher percentage of TDFPS funds in their budget.

Administrators who see themselves as partners in providing essential government services would prefer to have a higher percentage of funds come from TDFPS. This finding may also reflect the desire for higher rates of reimbursement for providing the services that would result in a higher percentage of TDFPS funds and, therefore, a lessening of need for supplemental funds such as fundraising dollars. The higher the percentage of TDFPS funds in their budget, the higher the likelihood that the administrator would want to have an even higher percentage of TDFPS funds.

Finally, administrators of agencies who are members of TACFS are more likely to view themselves as pushing TDFPS for changes in public policy.

5.3 How are we to Understand these Findings?

The key question for this study was "do relationships matter?" In this study using monitoring level as a measure of outcome, the answer appears to be no. However in the qualitative findings, relationships between individuals were identified as important to outcomes.   This study was very ambitious in exploring the role or relationships in policy outcomes. Other than the Provan and Milward (2001) study of mental health network effectiveness, there is very little in the literature. Not only has there been little or no study of the role of relationships in policy outcome, there has been an absence of research on the link between public management and program performance in intergovernmental programs (O'Toole, 1997b).

If the factors identified in this study do not influence the nature of the relationship, what other factors are at play? In a study from the private sector, Andrea Larson (1992) explores network dyads in entrepreneurial settings in a study of the governance of exchange relationships. This qualitative study examined seven high-growth entrepreneurial firms and found that "the social dimensions of the transactions are central in explaining control and coordination in the exchange structures" (p.76). She presents a process model of network formation built on reputation, trust, reciprocity, and mutual interdependence as an alternative to vertical integration. Her study claims that studying the network form provides insights into firm growth. It seems that firm growth as a desired outcome in the private sector study is similar to the concept of policy outcomes in this study.

Larson (1992) found firms indicated that legal-contractual aspects of exchange were less important than social dimensions. This study has similar findings. While there are clear differences in the types of relationships, it was found that financial exchange and other structural factors were not significant factors in predicting the relationship type or the level of policy compliance. From an examination of the qualitative data from this study, it appears that financial exchange is less important than social interactions. It was not the financial strength or weakness of an agency, or the characteristics of the administrator that determined the relationship between the agency and TDFPS. In the qualitative findings, administrators highlighted issues of respect, fairness and individual relationships.

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5.4 Implications for Practice

While there are many positives reported in the relationships between TDFPS and the residential child care providers, there are also a great number of problems in the relationships. In this era of privatization and contracting out, it will become more important than ever that the public agency, TDFPS and the child care provider contractors work together to care for Texas children. From this study we know that at least for this agency (TDFPS) and these contractors, it is not financial or contract considerations that form the relationships. To consider steps necessary to strengthen and sometimes repair relationships, it is instructive to examine these qualitative findings in light of Larson's (1992) study of network dyad formation. Larson identified three phases in the formation of network dyads: Phase 1. Preconditions for exchange,

Phase 2. Conditions to build, and Phase 3. Integration and control.

5.4.1 Phase I Preconditions for Exchange

Larson found that a history of personal relations shaped the context for the exchange between organizations by reducing risks. As relationships were formed, partners were less likely to fear contract cancellation or that one organization would take advantage of the other. Respondents in this study perceive that in response to increased risk, TDFPS has become more authoritarian and heavy handed in their approach to the contract providers. While there appears to be many positive personal relationships, the overall impression is that in response to increased political pressure, TDFPS has pulled away from relationships rather than nurtured or strengthened relationships.

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The nonprofit sector also has issues that are barriers to strong relationships with public agencies. Salomon (1995) warns that the romanticism about the inherent purity of nonprofits and their abilities to change people's lives should be approached with some degree of skepticism. Being classified as nonprofit does not inoculate an organization from the negative view generally attributed to public bureaucracies.

La Piana (as cited in Austin, 2003) characterized many nonprofit organizations as (a) lacking strong management capabilities and limited fund-raising capabilities (b) possessing limited access to "best practices" due to their survival mode and isolation (c) operating in organizational structures that reflect the founders interest, which may no longer be relevant and (d) promoting very high and unrealistic expectations for what services can be effectively managed.

The contract child care providers in the state of Texas possess a wealth of resources in service capacity, finances, and community support. To meet the needs of children in the state, there needs to be a stronger mutual respect between TDFPS and the child care providers. If relationships can be strengthened, then a second major phase could be addressed.

5.4.2 Phase II Conditions to Build

Larson (1992) sees the next phase of network dyad formation as the development of mutual economic value. She found economic incentives were important, but "what is often missing in the study of economic exchange is that a social context provides the environment within which economic exchange can be initiated. Personal relations provided a conducive frame for economic exchange. Implicit

obligations of fairness and honesty give structure and subtle control to this economic exchange from the outset" (p.84).

From the perspective of the child care contract providers, there is not fairness in the economic arrangement they have with TDFPS. A recurring theme in the qualitative portion of this study was that reimbursement rates are not adequate to meet the expectation of TDFPS. It is important to remember, however, that the state of Texas through TDFPS paid $321,546,396 to private child care provider organizations for over five million days of care for 25,000 children in the custody of the state of Texas during the period of this study (Texas Department of Family and Protective Services, July 2006). While the reimbursement rates may not be adequate, a great majority of the contract providers are highly dependent on TDFPS for referrals and financial reimbursement.

Interestingly, only 49% of the responding agencies reported that they were members of the Texas Alliance of Child and Family Services, the primary trade association for the child care providers. The Alliance Website outlines their policy objectives as follows:

> Advocating for children is at the heart of the Alliance mission. Alliance members strengthen and expand their influence with policy makers by joining with other agencies to: 1.) Educate elected officials and state agency leaders about the needs of the children in care and the effectiveness of private sector services 2.) promote adequate funding for children and family

services 3.)Insure that regulations and rules are practical and reasonable as well as effective (http://www.tacfs.org/ April 17, 2007).

Some respondents indicated that they had lost confidence in the ability of the Alliance to affect change in TDFPS policies. It would seem that if the relationship between the providers and TDFPS was strengthened, they could unite in their common interest of seeking more funding for child care services from the Texas legislature.

5.4.3 Phase III Integration and Control

Larson's (1992) third phase of network dyad formation consists of operational and strategic integration. In this stage she observed that "relationships began to resemble well-coordinated, vertically integrated units with established systems, procedures and modes of communication." (p. 91). In this phase she also observed: "norms of fairness, honesty, and reciprocity were assumed and took on an invisible but powerful role during this third phase. They imposed expectations and obligations and referred to several aspects of behavior: confidence that the other side would be relied upon, confidence that the relationship would not be exploited by the other side, confidence that extra effort would be made consistently and, in return, that a partner would give the other side time and opportunity to adjust to changed circumstances rather than move abruptly to an alternative supplier or customer" (p.96).

Unfortunately, it does not seem that TDFPS and the child care providers can move to this level until stronger relationships are built and there is equity in the financial arrangements between them.

<u>5. 5 Policy and Practice Recommendations</u>

Based on the findings of this study, the following policy and practice recommendations are offered

1. The state of Texas should not move forward with the privatization of Child Welfare Services until there is an improved relationship between TDFPS and the contract child care providers, and until there is evidence of adequate funding to accomplish the goals of a privatization strategy. The state should demonstrate that privatization in not simply a political philosophy but that there is potential for improved services to Texas children.

The study results indicated overwhelmingly that child care administrators view the reimbursement rates for child care as inadequate to provide the service. The Texas Department of Family and Protective Services. (2005) cost study data report to the Texas Legislature indicated that reimbursements were approximately 80% of the cost of providing services. Other studies (Savas, 1987) have found that privatization is at times a political philosophy rather than a cost saving strategy.

2. Public administrators in TDFPS should develop new governance strategies that conceptualize their role in dealing with contract providers as that of a diplomat working across sector lines, rather than conceptualizing their role as one of authority in a hierarchical structure.

Administrative conjunction theory (Frederickson, 1999) conceptualizes the role of public administrators in the current environment as diplomats working across sectorial lines. The qualitative findings of this study indicate that TDFPS, operating

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under tremendous political pressure, has become more authoritarian in dealing with the contract agencies. At the same time the study indicates that there is great potential to develop a stronger network of services based on a relationship of mutual trust and respect.

<p style="text-align: center;">5.6 Implications for Theory</p>

5.6.1 The Model

This study was built on the foundation of a theoretical model based on the following propositions. Stillman's (1991) State Development Thesis proposes that the development of the three sectors of American life can be understood within the framework of state development. The negative-state vision defines the private business sector, the bold state vision most advocates and active role for government and the pre-state vision based defines the nonprofit sector. The development of three sectors keeps them separate and distinct. Stillman's thesis helps to explain forces that define the three sectors as three separate entities. The first force is the authority of the state in the bold state vision and the public (government) sector. The second force is confidence in the positive power of free markets that is associated with the negative-state vision and business. The third force is cooperation in the nonprofit sector as envisioned in the pre-state vision.

Child care administrators responding to the study survey expressed differences of opinion on the role of government in society. One would expect that the administrators of nonprofit agencies would have a pre-state vision of the role of government. In other words, it would be expected that the majority would view the role

of government as being primarily concerned with supporting the rights of individuals. The pre-state vision was the most common response of the administrators with 30.1% expressing this as their view of the role of government. The bold state view (the belief that government should take an energetic role throughout society to promote the good life for citizens) was the view of 31.3% of the administrators. The negative state view of the role of government (government should not impose artificial state controls on the marketplace but allow for natural completion) was the choice of 29.7% of the nonprofit administrator respondents. These results confirm the proposition put forth in the model that there are forces moving the sectors closer together. The fact that 29.7% of the administrators endorse the traditional business view of the role of government indicates that new public management approach has had a great impact on the nonprofit sector.

The model proposes that the forces of new public management are moving the three sectors closer together and this seems to be the case. The major forces of NPM are 1.) The adoption of market-based management and resource allocation techniques (56.3% of the administrators agreed that the federal government should not impose artificial controls on the economy.) 2.) increased reliance on private sector organizations to deliver public services, (71.9% of the administrators agreed that government should rely more on the business sector rather than on itself to deliver public services and 85.9% said the government should rely more on the nonprofit sector rather than on itself to deliver public services.) and 3.) a deliberate and sustained effort to downsize and decentralized government's role as the central policy actor in society (Frederickson & Smith, 2003). (60.9% of the administrators agreed that the

federal government should be downsized and 54.7% said that more duties of the federal government should be devolved to the state and local government level.)

While there was agreement that services should be delivered by the nonprofit and businesses sector as opposed to government, the administrators agreed that society should be cautious in moving the provision of public services from government to the business sector (67.2%) or to the nonprofit sector (57.8%). The findings indicate that the more time an administrator had worked in government, the more likely they were to had an adversarial relationship with TDFPS and the more the administrator preferred private approaches and downsized government, the more likely they were to characterize their relationship with TDFPS as adversarial.

The model presents governance theory and administrative conjunction (Frederickson & Smith, 2003) as a new direction in theory development and in practice in public administration driven by the need to deal with the realities of our fragmented and disarticulated state and the declining relationship between jurisdictions and public management (Frederickson, 1999). The model conceptualizes public administration as governance at the intersections of the three sectors. While the forces identified above exert pressures on the three sectors, public administrators must provide diplomatic functions at the intersection of the three sectors to achieve the purposes of the state.

It does not seem that TDFPS has developed new governance approaches to deal with this reality. Respondents report that in response to crisis in the system as outlined in the *Forgotten Children Report* (Strayhorn, 2004), TDFPS has become more bureaucratic, more authoritarian, and relies more on punitive measures to reduce risks to

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children and to TDFPS. However, 57.9% of the administrator respondents said they consider themselves as partners with TDFPS in the provision of child care services. This indicates that there is the possibility of building on this partnership and strengthening the child welfare system. A major stumbling block to improved relationships between TDFPS and the contractors in the perception and reality of inadequate reimbursement for services provided. 92.8% of the respondents agreed that TDFPS does not cover the cost of providing services and that they must supplement those funds.

5.6.2 Young's Theory of Nonprofit/Government Relationships

The study supports Young's theory that there are at least three levels of relationships between the nonprofit sector and government. The respondents to this study reported that 43% characterized their relationship as supplementary, 32% characterized the relationship as complementary and 23% characterized the relationship as adversarial. The study did not support the idea that these relationships are largely influenced by the exchange relationships as defined in exchange network theory. The study did not identify any factors to differentiate the three relationship types. Agency characteristics, administrator characteristics, views on government roles, or view of management were not a factor in determining the type of relationship. However the qualitative data indicated that the social context of relationships between individuals was a factor in the type of relationship the agency has with TDFPS.

If it is the social context that builds relationships necessary for public administrators to achieve the purposes of the state, then public administrators must be diligent in promoting and preserve democratic ideals in public administration.

5.6.3 Democratic Ideals

Laurence J. O'Toole, Jr. (1997b) states: "Increasingly, a crucial institutional arrangement for successful operation of government in action is some version of the network (especially networked organizational units), rather than the hierarchy in isolation. This shift is important in many respects, not the least of which are the challenges and opportunities implied for democratic governance" (p.445).

O'Toole's approach (1997b) is very similar to Frederickson's (2003) ideas of administrative conjunction. Administrators in a democratic governance approach would seek cooperation across organizational lines with little formal authority within the network. Administrators would rely on "diplomatic skills; negotiating experience; and exhortative, perceptual, informational, and leadership tools" (p.447).

Some scholars do not see democratic possibilities in an environment dominated by the forces of new public management. Kettl's (2000b) assessment is that new public management has resurrected the politics/administration dichotomy (Wilson, 1887) and uses contracting between government and non-governmental partners as an example. Issues of accountability are also called into question in contracting arrangements with some scholars observing that there is a decrease in the clarity of accountability in such arrangements (Frederickson & Smith, 2003). An equally strong case has been made that contracting offers new opportunities to strengthen democratic principles by

developing service networks based on participation, trust, fairness, honesty, and reciprocity. In this approach, "relationships become key concepts to deepening and strengthening democracy and the legitimacy of public administration" (Wamsley and Wolfe, 1996 p.33).

5.6.4 Efficiency vs. Democratic Values

Efficiency vs. democratic values has been a long term and on-going debate with historical roots in different traditions of public administration. Two classic works in public administration literature frame the "efficiency vs. democratic values" debate: Dwight Waldo in *The Administrative State*, (1948) and Herbert Simon, *Administrative Behavior* (1947). Both Waldo and Simon attacked Wilson's (1887) politics/administration dichotomy, but came to very different conclusions. Waldo said that any theory of public administration must be a theory of politics. Simon proposed that there could be a separation of facts and values, and that the facts could be scientifically studied. Waldo claimed that this was little more than a restatement of the politics/administration dichotomy.

The importance of the Waldo/Simon debate is that it put public administration on two distinct tracks. Waldo would emphasize democratic ideals while Simon would continue the search for increased efficiency. Waldo would become more closely associated with the political, democratic values approach, while Simon would become more associated with what was to become the behavioral revolution in social sciences- seeking new and more efficient methods of public administration. Even today, public administration scholars struggle with this duality. Wamsley and Wolfe, (1996) propose

that by not acknowledging the duality of public administration, barriers have been created to theory development. Governance theory's recognition of the duality has helped to move forward with theory development.

Frederickson's governance theory contribution builds on institutional theory (from organization theory) and couples it with network theory. From this perspective he sees public administration evolving into a system of network management for providing public goods. Frederickson argues that this provides the critical connection "to the big issues of democratic government. It is in governance theory that public administration wrestles with problems of representation, political control of bureaucracy and the democratic legitimacy of institutions and networks in the time of the fragmented and disarticulated state" (1999, p.19). Network theory does more than provide understanding of collaborative efforts at the organizational level. Don Kettl (2000a) states "….. network theory not only has provided a framework for understanding the growing interconnections among varied organizations that find themselves working together to implement public policy, it also has helped public administration gain fresh purchase on the question that as occupied it since its founding—and, indeed, the nation since creation: how best to understand the connections between political power and representative democracy" (p.24).

The great division between the traditional public administration theorists and public choice theorists (new public management) streams seems to be coming together in the form of theories of governance. Many of the service features proposed by public choice: contracting out, entrepreneurship, decisions at the lowest level are all parts of

governance approach, but at the same time issues of democratic ideals are central to the governance approach. Denhardt and Denhardt have called for an alternative to new public management in the form of "new public services" (2000, 2003). Their notions of new public service stem from democratic political theory alternative approaches to management and organizational design from "the more humanistic tradition of public administration theory, including phenomenology, critical theory, and postmodernism" (p.172).

This study demonstrates the need to advance the development of governance theory building and democratic public administration. TDFPS administrators must accomplish the child protection goals of the state, in collaboration with a network of providers. This study is an example of problems of moving forward in the privatization of traditional government services without developing the relationships necessary for democratic governance. Public administrators need new tools to advance the purposes of the state in this networked environment. Efficiency alone is not sufficient for democratic public administration.

5.7 Limitations

The study is limited to a specific service in a specific location (child welfare services in Texas) and focuses only on the relationship between the state agency and one group of contract providers. The findings of the study cannot be generalized to other settings or services. The small number of participants and low response rate in the study is also a limiting factor. The survey instrument was mailed to 138 child care administrators. A total of 64 or 46.3% responded to the survey.

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The use of the monitoring plan level (I, II or III) as a proxy for policy compliance was somewhat limiting. Violations of policy can range from not having adequate documentation in a child's record to the death of a child. Attempts to secure records of standard violations were unsuccessful. A more robust indicator of policy compliance would have improved the study. The study was conducted from the viewpoint of the administrators of the child care contract agencies. No public administrators from the Texas Department of Family and Protective Services were surveyed or interviewed for this study.

Finally, this study was done at a time when there is great stress and strain between TDFPS and the contract agencies. As previously mentioned, the legislature is moving toward privatizing TDFPS services. During this study, the Texas legislature was in session and several bills were introduced to minimize or stop the previous legislation mandating privatization. The period in which the study was conducted was a time of great uncertainty for both TDFPS and the contract agencies. Additionally, new Minimum Standards of Child Care became law on January 1, 2007. The implementation of new standards imposed new financial obligations on the agencies that already see themselves as underpaid for their services. Several child care administrators had negative comments about the new standards.

5.7 Future Research

These findings tell us that financial, administrator and agency characteristics are not predictors of inter-agency relationships. The qualitative findings of this study tend to confirm earlier qualitative research in business that indicates the importance of the

social context in network dyad formation. More research on the social context for network formation is needed in public administration literature.

There is a paucity of research literature on public administration and network effectiveness. Public administrators are challenged to achieve the purposes of the state through networks, but to date there is little research in this area. There is the need for more research on the role of network relationships on policy outcome and research on the link between public management and program performance in intergovernmental programs (O'Toole, 1996).

5.9 Summary

This study demonstrated that there is not a significant relationship between a contract agency's financial characteristics, agency characteristics or administrator characteristics or views and the administrator's characterization of the relationship between the contract agency and TDFPS as supplementary, complementary or adversarial. It was also demonstrated that the characterization of the relationship as supplementary, complementary or adversarial was not a predictor of the agency's level of policy compliance as demonstrated by the agency's monitoring level plan of I, II, or III. Even though there were few variables that predicted the relationship type, there was a wide variance in the types of relationships reported.

The qualitative analysis of the data indicated six major themes: 1) Relationships between the agencies vary by TDFPS units, 2.) Individual relationships matter 3) TDFPS operating under pressure causes paranoia in relationships, 4) Funding to

contractors is inadequate, 5) Some administrators advocate privatization and others oppose it, and 6) TDFPS favors foster care and devalues other placement options

Taken together, the quantitative data and qualitative data indicate that the social context of exchange is more important than structural issues in the dyad network relationships. Regardless of the size of the agency, the financial resources or the administrator's views of government and management, the issues contributing to the relationship were personal trust, respect, equity and justice in the relationship.

This study paints a picture of a state agency under extreme political pressure from a movement to privatization and state government demanding more for the tax dollars expended. In response to these pressures, the agency has relied more on forced compliance than on building or maintaining relationships.

In today's network environment, public administrators are called to be diplomats and to work across jurisdictional and sectorial lines to accomplish the goals of the state. A new research agenda is needed to equip public administrators to meet this challenge. This study is a small step in that direction.

APPENDIX A

CHILD CARE ADMINISTRATOR SURVEY

CHILD CARE ADMINISTRATOR SURVEY

Name_____ Organization_____

Check (✔) the boxes to show if you strongly agree, agree, neither agree or disagree, disagree or strongly disagree

<u>RELATIONSHIP BETWEEN YOUR AGENCY AND THE TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES(TDFPS)</u>

	Strongly Agree	Agree	Neither Agree or Disagree	Disagree	Strongly Disagree
1. Our agency fulfills a need for services that is not otherwise met by TDFPS.					
2. The funds paid to our agency by TDFPS do not cover the cost of services and we must supplement those funds.					
3. Our agency views TDFPS as our partner in the provision of child care services.					
4. Our services are almost exclusively financed by TDFPS (or other government agencies).					
5. Our agency pushes TDFPS for changes in public policy.					
6. Our agency's relationship with TDFPS is primarily one of regulator-regulatee					
7. Our relationship with TDFPS is primarily adversarial.					

8.   Which of the following best describes the relationship between your agency and the Texas Department of Family and Protective Services (TDFPS)? Most agencies have elements of each. Choose the one that **BEST** describes the relationship between your agency and TDPFS. **CIRCLE ONLY ONE.**

A.   Our agency fulfills a demand for public goods left unsatisfied by
         government. Our agency raises money to meet needs not met by government.

B.   Our agency is in partnership with TDFPS, helping to deliver
         public goods largely financed by government. Our agency views TDFPS as a
         partner.

C.   Our agency pushes TDFPS to make changes in public policy and to maintain
         accountability to the public. Our agency relationship with TDFPS is one of
         being regulated by them while we advocate for policy
         changes.

Check (✔) the boxes to show if you strongly agree, agree, neither agree or disagree, disagree or strongly disagree

VIEWS ON THE GENERAL ROLE OF GOVERNMENT

	Strongly Agree	Agree	Neither Agree or Disagree	Disagree	Strongly Disagree
9. The Federal Government should take an active role in promoting the good life for citizens.					
10. There should be strong government institutions to respond to social needs in society.					
11 The Federal Government should not impose artificial controls on the economy.					
12. A major role of the Federal Government should be to support the rights of individuals.					

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13. Which of the following statements most closely expresses your view of the role of the federal government? CIRCLE ONE ONLY.

A.   Government should take an energetic role throughout society to promote and maintain the good life for citizens, and that there should be strong and effective government organizations to respond to various societal challenges and individual needs.

B.   Government should not impose artificial state controls on the marketplace but allow for natural competition. The role of government should be to maintain open markets

C.   Government should be primarily concerned with supporting the rights of individuals by maintaining the constitutional balance of power between the branches of government.

Check (✔) the boxes to show if you strongly agree, agree, neither agree or disagree, disagree or strongly disagree

YOUR VIEWS ON ORGANIZATIONAL MANAGEMENT

	Strongly Agree	Agree	Neither Agree or Disagree	Disagree	Strongly Disagree
14. The private sector (business) is more **efficient** than the government. (Efficient is defined as minimizing waste or effort)					
15. The private sector (business) is more **effective** than the government. (Effective is defined as achieving a desired result.)					
16. The government should rely more on the business sector (rather than on itself) to deliver public services.					
17. The government should rely more on the nonprofit sector (rather than on itself) to deliver public services.					

	Strongly Agree	Agree	Neither Agree or Disagree	Disagree	Strongly Disagree
18. The Federal Government should be downsized.					
19. More duties of the federal government should be devolved to state and local governments.					
20. Business management practices should be adopted by nonprofit agencies to increase efficiency.					
21. Market based approaches in the nonprofit sector can do little to promote issues of justice.					
22. The adoption of business management practices seldom reduces the costs of providing services.					
23. Society should be cautious in moving the provision of public services from government to the business sector.					
24. Society should be cautious in moving the provision of public services from government to the nonprofit sector.					

25. Which of the following statements most closely expresses your view of management? CIRCLE ONE ONLY.

A. The private sector (business) is more efficient and effective than government. The nonprofit sector should adopt market-based management and resource allocation techniques. The government should rely more on the business and nonprofit sector to deliver public services. Government should be downsized and decentralized.

B. Business management practices can result in selective and short-run increases in efficiency but do little to promote issues of fairness, equity, or justice. The adoption of business principles seldom reduces the costs of providing services and therefore society should be cautious in moving the provision of public services from government to the business and nonprofit sectors.

AGENCY CHARACTERISTICS

26. What is your total annual agency budget?   _____

27. What percent of the total agency budget comes from TDFPS?   _____%

28. If it were totally in your control, what % of your budget would
     you want to come from TDFPS?   _____%

29. Is your organization affiliated with a religious denomination?   Yes   No

30. What is the approximate dollar value of your agency's endowment? _____

31.   In what year was you organization established?   _____

32.   What is the current monitoring plan level for you agency?
          _____Plan 1
          _____Plan 2
          _____Plan 3

33. Has your plan level changed in the last 12 months?
          _____ yes
          _____no

34. If your plan has changed in the last 12 months, it changed from

     Plan_____ to Plan _____ Why?_____
     Plan_____ to Plan _____ Why?_____
     Plan_____ to Plan _____ Why?_____

ADMINISTRATOR DEMOGRAPHICS

35. What is your age?
     _____ 21-29
     _____ 30-39
     _____ 40-49
     _____50-59
     _____Over 60

36. Are you
     _____ Female or _____ Male?

37. With which group(s) do you identify? (Circle all that apply)
     African/American or Black
     Asian/Pacific Islander
     Caucasian or White
     Latina/o or Hispanic
     Native American or Indian
     Other (explain)_____

38. What is your highest educational level?
     _____ Less than High School
     _____ High School or GED
     _____ Bachelor's degree
     _____ Master's or professional degree
     _____ J.D. or M.D.
     _____ Ph.D. or other Doctorate
     _____ Other (explain)_____

39. What is your primary educational background?
     _____ Business Administration
     _____ Education
     _____ Psychology
     _____ Theology/Ministry
     _____ Social Work
     _____Medicine
     _____Law
     _____ Other (explain)_____
     _____ None, no higher educational training

40. How many years work experience do you have in each of the following?

	Total	In Management
Private Sector (business)	_____ Years	_____ Years
Public Sector (government)	_____ Years	_____ Years
Nonprofit Sector	_____ Years	_____ Years

41. Is your agency a member of the Texas Alliance of Child and Family Services?

Yes_____
No_____

41. Please comment on your relationship with TDFPS and how you think that relationship impacts the effectiveness of your agency in providing services to children.

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Thank you for your participation in this research study. If you would like to receive a copy of the study, please provide your email address below.

_____

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