



Texas Department of Family and Protective Services

Commissioner
Audrey O'Neill

July 20, 2026

Michael Patrick
Chief Executive Officer
Texas Family Initiative, Inc.
217 Southeast 4th Street
Topeka, Kansas 66603
Mpatrick@tfics.org

RE: Notice of Termination for Contract Number HHS001183200003

Dear Mr. Patrick:

The Texas Department of Family and Protective Services (DFPS) is terminating the above referenced Contract, with Texas Family Initiative, LLC (dba EMPOWER) for cause under Section 10.3.2 of the Contract's Uniform Terms and Conditions.

The Contract termination for the Community Based Care Single Source Continuum Contractor (SSCC) services for Region 3E is effective January 20, 2027.

DFPS is terminating for cause based on the following:

- EMPOWER has failed to perform satisfactorily under its Community-Based Care contract after continuous quality improvement plans, corrective action plans, and other remedial measures.
- Conditions within EMPOWER continue to present concerns for health, safety, and welfare of children in DFPS' conservatorship. These failures contributed to critical breakdowns in case planning and decision-making, resulting in the deaths of two children. Additionally, medical mismanagement stemming from staff turnover caused a child to suffer a lupus flare up and hospitalization.
- EMPOWER failed to provide adequate information to DFPS regarding children under conservatorship.
- EMPOWER has failed to comply with court orders, incurring sanctions against DFPS and/or detrimental court findings.

Failure to comply with these conditions and to adequately remedy them has undermined EMPOWER's ability to maintain community confidence and to effectively carry out its contractual obligations as the Single Source Continuum Contractor for Region 3E.

As provided for in the Contract's Uniform Terms and Conditions, EMPOWER is required to complete certain Contract actions to ensure the efficient transfer of cases and services and to comply with Contract provisions that survive the termination of the Contract. This list is not exhaustive.

1. The SSCC and DFPS will meet to develop a plan of action within 10 days of notification of contract termination. This plan must be completed within 30 days and will include a timeline and process for reassignment of responsibilities.
2. The SSCC agrees to work collaboratively with DFPS to provide all information gathered or developed under this Contract to DFPS in a usable format. This includes providing DFPS any and all electronic records in a .csv format or other agreed to application format that DFPS can use.
3. The SSCC must aid in the transition to any new arrangement or provider of services. The respective accrued interests or obligations incurred to date of termination must also be equitably settled. DFPS will work with the SSCC to transfer all services as efficiently as possible with the goal to have all necessary services transferred by the effective date of the expiration or termination of the Contract. However, in the event that a transfer of all necessary services is not possible, the SSCC and DFPS will continue to perform in accordance with all terms and conditions of this Contract until DFPS determines that all necessary client services are completely transferred.
4. Contractor will keep and maintain accurate and complete records necessary to determine compliance with this Contract and applicable laws.
5. Contractor will provide access to its records to DFPS, the Texas State Auditor's Office (SAO), the federal government, and their authorized representatives.
6. Contractor will maintain legible copies of this Contract and all related documentation for a minimum of seven years after the termination of this Contract or seven years after the completion of any litigation or dispute involving the Contract, whichever is longer.
7. The SSCC must ensure compliance with all record keeping requirements stated in this Contract and the Texas State Records Retention Schedule. The SSCC must ensure that any records maintained in proprietary systems are able to be provided to DFPS, upon Contract expiration or termination and at no additional cost, in a format that is usable to DFPS or a subsequent SSCC. At a minimum, proprietary system files must be provided to DFPS in a .csv format or other agreed to application formation that DFPS can use. The SSCC agrees to work with DFPS on the transfer of all DFPS program files when needed.
8. All records received or created by the SSCC that include confidential information may be disclosed to third parties only with the prior written consent of the

Department or within the scope of consent specifically permitted under this Contract (i.e. - Medical Consenter or Approved Subcontractor). The SSCC must not use any confidential information supplied by DFPS or generated as the result of this Contract except for the purposes described in this Contract. If the SSCC stores, collects, or maintains any confidential data, the SSCC must only use such data in the performance of this Contract.

9. The Contractor will not dispose of records before providing the DFPS contract administration manager with written notice of its intent to dispose of records and receiving written approval from the DFPS contract administration manager.
10. Termination for any reason does not release the SSCC from performance, liability or obligation in the Contract that is expressly stated to survive such termination or by its nature would be intended to be applicable following any such termination, which includes but is not limited to confidentiality, indemnification, transition, records, audit, dispute resolution, invoice, and continuing to provide care for a Child after termination of this Contract.
11. To ensure an effective transition and turnover, SSCC must involve DFPS in the publication of any media story involving its Contract. Specifically, the SSCC shall submit all staff communications, third-party journalism media requests, legislative and stakeholder contacts, and any other requests to DFPS prior to release for review and approval. If DFPS requires information from the SSCC in order to respond to a media request, then DFPS will contact the SSCC and identify the needed information.

If you are unable to complete any actions above or if you have questions, please contact Christina Hausenfluke, Contract Administration Manager, at christina.hausenfluke@dfps.texas.gov or (817) 372-2541.

Finally, please be advised that EMPOWER may be contractually responsible for all costs incurred by DFPS and the State of Texas to replace it as the SSCC in Region 3E. These costs include, but are not limited to, the costs of procuring a substitute SSCC and the cost of any claim or litigation that is reasonably attributable to the SSCC's failure to provide services or goods.

Sincerely,



Audrey O'Neill

cc: George Cannata, Appointed Receiver of EMPOWER