



## TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

COMMISSIONER  
John J. Specia, Jr.

June 9, 2014

Ms. Kate McGrath, Director  
Governor's Office of Budget, Planning and Policy  
1100 San Jacinto, 4th Floor  
Austin, TX 78701

Ms. Ursula Parks, Director  
Legislative Budget Board  
1501 North Congress Avenue, 5th Floor  
Austin, TX 78701

Dear Ms. McGrath and Ms. Parks:

Enclosed is the agency's FY 2014 Monthly Financial Report as of April 2014. The following is a narrative summary of budget adjustments during the month, budget variances, significant changes from appropriated funding, capital budget issues, and other key budget issues at this time.

### BUDGET ADJUSTMENTS

The following adjustments were made to the appropriated budget in the month of April. In total, the operating budget was increased by \$2,139,128.

- The following adjustments were made for changes in block grants or capped federal funds for a net increase of \$149,989: (*Art. IX, Sec. 8.02, Federal Funds/Block Grants*)
  - Strategy B.1.2 CPS Program Support was increased by \$233,454.
    - ⇒ Child Abuse and Neglect State Grants was increased \$358,454 to reflect the re-budget of available FFY 2011 grant award from SFY 2013 to SFY 2014.
    - ⇒ Children's Justice Grants to States was reduced by \$125,000.
  - Strategy B.1.8 PAL Purchased Services was increased by \$70,770 to reflect the re-budget of Title IV-E Chafee Education and Training Vouchers Program FFY 2013 grant award from FFY 2013 to FFY 2014.
  - Strategy C.1.4 Child Abuse Prevention Grants decreased by \$162,779 to reflect the re-budget of FFY 2011 Community-Based Child Abuse Prevention Grants from SFY 2014 to SFY 2013.
  - Strategy C.1.6 At-Risk Prevention Program Support was increased by \$4,290 to reflect the re-budget of FFY 2011 Community-Based Child Abuse Prevention Grants from SFY 2013 to SFY 2014

- Strategy D.1.1 APS Direct Delivery Staff was increased by \$4,254 to reflect the re-budget of FFY 2013 Elder Abuse Prevention Interventions Program grant award from SFY 2013 to SFY 2014
  
- The following adjustments were made under Art. IX, Sec. 8.03, Reimbursements and Payments for a net increase of \$175,276:
  - Strategy B.1.2 CPS Program Support was decreased \$43,758:
    - ⇒ Blue Ribbon Task Force contract was discontinued and reduced by \$12,500.
    - ⇒ Contract with Texas Juvenile Justice Department was decreased by estimated amount of \$31,258.
  - Strategy E.1.1 Child Care Regulation was increased \$61,372 to reflect the signed Background Check contract with Texas Workforce Commission
  - Strategy F.1.2 Other Support Services was increased \$157,662:
    - ⇒ Background Check Contract was increased \$20,534
    - ⇒ Contract with Harris County to hire additional redaction workers was increased by estimated amount of \$137,128
  
- The following adjustment was made in accordance with Art IX, Sec 18.06, Contingency for HB7, (2014-15 GAA):
  - Specialty License Plates Trust Fund was decreased \$61,557 to match estimated collected revenue
  
- In accordance with Art. I, Information Listing of Funds Appropriation to the Comptroller of Public Accounts for Social Security and BRP, Rider 2, the following strategies were adjusted for employee benefit replacement pay with the net increase in the amount of \$2,519 of Federal Entitlement Funds:
  - Strategy A.1.1 Statewide Intake Services was decreased \$100
  - Strategy B.1.1 CPS Direct Delivery Staff was increased \$4,184
  - Strategy B.1.2 CPS Program Support was decreased \$686
  - Strategy D.1.1 APS Direct Delivery Staff was decreased \$33
  - Strategy D.1.2 APS Program Support was decreased \$62
  - Strategy D.1.3 MH and ID Investigations was decreased \$159
  - Strategy E.1.1 Child Care Regulation was decreased \$186
  - Strategy F.1.1 Central Administration was decreased \$272
  - Strategy F.1.2 Other Support Services was decreased \$41
  - Strategy F.1.3 Regional Administration was decreased \$16
  - Strategy F.1.4 IT Program Support was decreased \$110
  
- Adjustments in anticipated federal entitlement funds were made in the following strategies for a net increase of \$1,872,901 (Art. IX, Sec. 8.02, Federal Funds/Block Grants):
  - Strategy A.1.1 Statewide Intake Services was decreased \$44,605
  - Strategy B.1.1 CPS Direct Delivery Staff was increased \$2,363,071
  - Strategy B.1.2 CPS Program Support was decreased \$238,659
  - Strategy B.1.3 TWC Foster Day Care was decreased \$302,778

- Strategy B.1.10 Other CPS Purchased Services was decreased \$6,948
- Strategy B.1.11 Foster Care Payments was increased \$1,176,424
- Strategy B.1.12 Adoption Subsidy Payments was decreased \$466,747
- Strategy D.1.1 APS Direct Delivery Staff was increased \$6,860
- Strategy D.1.2 APS Program Support was decreased \$41,289
- Strategy D.1.3 MH and ID Investigations was decreased \$60,720
- Strategy E.1.1 Child Care Regulation was decreased \$113,347
- Strategy F.1.1 Central Administration was decreased \$84,048
- Strategy F.1.2 Other Support Services was decreased \$16,537
- Strategy F.1.3 Regional Administration was decreased \$2,071
- Strategy F.1.4 IT Program Support was decreased \$141,508
- Strategy F.1.5 Agency-Wide Automated Systems was decreased by \$154,197

## BUDGET VARIANCES

This report reflects a net agency surplus of \$4.6 million surplus consisting of \$2.1 million General Revenue and \$2.5 million Federal Funds.

Strategy A.1.1 Statewide Intake Services has projected \$0.5 million General Revenue shortfall.

Strategy B.1.1 CPS Direct Delivery Staff has projected \$3.2 million shortfall consisting of \$2.6 million General Revenue and \$0.6 million Federal Capped Grants. This shortfall is primarily due to increased staff-related costs as a result of increased travel and overtime costs.

Strategy B.1.2 CPS Program Support has a projected surplus of \$2.4 million consisting of \$2.3 million General Revenue, and \$0.1 million Federal Capped Grants, based on vacant FTEs and expenditure trends.

Strategy B.1.8 PAL Purchased Services has a projected surplus of \$0.9 million consisting of \$0.3 million of General Revenue and \$0.6 million Federal Capped Grants, based on expenditure trends.

Strategy B.1.9 Substance Abuse Purchased Services has a projected shortfall of \$1.6 million of General Revenue, based on expenditure trends.

Strategy B.1.10 Other CPS Purchased Services has a projected \$1.7 million TANF surplus.

Strategy C.1.1 STAR Programs has projected \$1.8 million surplus consisting of \$1.6 million General Revenue and \$0.2 million of Federal Capped Grants based on expenditure trends.

Strategy C.1.2 CYD Program has projected \$1.1million surplus of General Revenue based on expenditure trends.

Strategy C.1.5 Other At-Risk Prevention Programs has a projected surplus of \$7.2 million of General Revenue. According to the Rider 24, DFPS may only use appropriated funds for at-risk prevention services that are competitively procured.

Strategy C.1.6 At-Risk Prevention Program Support has a projected surplus of \$0.4 million, consisting of \$0.3 million of General Revenue and \$0.1 million of Federal Capped Grants, created by vacancies.

Strategy D.1.1 APS Direct Delivery Staff has projected \$2.3 million General Revenue surplus due to vacant FTEs.

Strategy E.1.1 Child Care Regulation has projected surplus of \$0.8 million of General Revenue due primarily to vacant FTEs.

Strategy F.1.2 Other Support Services has a projected shortfall of \$1.1million of General Revenue. This projected shortfall is related to an anticipated increase in the expenditures related to the IAC with the Texas Department of Public Safety for costs associated with processing criminal background checks.

Strategy F.1.4 IT Program Support has a projected surplus of \$5.8 million of General Revenue. The surplus will be used to cover shortfalls in other Indirect Administration Strategies and/or other agency needs.

Strategy F.1.5 Agency-Wide Automated Systems has a projected surplus of \$1.0 million of General Revenue. Unobligated balances will be carried forward to FY2015.

The following General Revenue variances are projected based on the HHSC May 2014 caseload and expenditure forecast:

- Strategy B.1.3 TWC Foster Day Care has a projected shortfall of \$0.1 million.
- Strategy B.1.4 TWC Relative Day Care has a projected surplus of \$0.8 million.
- Strategy B.1.5 TWC Protective Day Care has a projected shortfall of \$3.1 million.
- Strategy B.1.11 Foster Care Payments has a projected shortfall of \$13.0 million.
- Strategy B.1.12 Adoption Subsidy/PCA Payments has a projected shortfall of \$1.3 million.
- Strategy B.1.13 Relative Caregiver Monetary Assistance Payments Care has a projected surplus of \$2.5 million.

**SIGNIFICANT CHANGES FROM PREVIOUS REPORT**

Projected expenditures are being allocated on the most recent cost allocation results which indicates that the agency will be unable to claim entitlement funds at the levels assumed in the appropriation bill.

**OTHER KEY BUDGET ISSUES**

None not previously addressed.

**CAPITAL BUDGET ISSUES**

The Capital Projects schedule has been updated to reflect current year-to-date expenditures.

**STATUS OF PENDING TRANSFERS AND AUTHORITY REQUIRING PRIOR APPROVAL**

<b>Letter Topic Appropriation Year 2014</b>	<b>HHSC/DFPS Letter Date</b>	<b>Approval/Response Received by June 1, 2014</b>	
		<b>LBB</b>	<b>Governor</b>
Transfer funds into DFPS Indirect Strategy F.1.5 Agency-Wide Automated Systems to create new or increase existing Capital Budget Projects	01/29/2014	5/13/2014	May 30, 2014

Kate McGrath and Ursula Parks

June 9, 2014

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Please contact Beth Cody, Budget Director, at 438-3351 if you have any questions or require additional information.

Sincerely,

A handwritten signature in cursive script that reads "Tracy Henderson".

Tracy Henderson  
Chief Financial Officer

cc: Garnet Coleman, State Representative  
Dianna Velasquez, Governor's Office  
Jamie Dudensing, Lieutenant Governor's Office  
Rob Ries, Lieutenant Governor's Office  
Jennifer Deegan, Speaker's Office  
Sarah Hicks, Senate Finance Committee  
Keith Yawn, House Appropriations Committee  
Heather Fleming, House Appropriations Committee  
Melitta Berger, Legislative Budget Board  
Shaniqua Johnson, Legislative Budget Board