



## TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

COMMISSIONER  
Howard G Baldwin Jr.

November 2, 2011

Mr. Jonathan Hurst, Director  
Governor's Office of Budget, Planning and Policy  
1100 San Jacinto, 4th Floor  
Austin, TX 78701

Mr. John O'Brien, Director  
Legislative Budget Board  
1501 North Congress Avenue, 5th Floor  
Austin, TX 78701

Dear Mr. Hurst and Mr. O'Brien:

Enclosed is the agency's FY 2012 Monthly Financial Report as of September 2011. 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 September. In total, the operating budget was increased by \$5,938,004.

- The following adjustment was made in accordance with 82nd Legislature, HB1, Art IX, Sec. 17.01, Reductions Related to Data Center Services:
  - Strategy F.1.5 Agency-wide Automated Systems was decreased \$352,152 (\$176,411 General Revenue; \$175,741 Federal Funds)
- The following adjustment was made under 82nd Legislature, HB1, Art II, Rider 28, Contingency for Senate Bill 1580, which did not pass:
  - Strategy E.1.1 Child Care Regulation was decreased \$3,476,000 (General Revenue) with a corresponding FTE cap reduction of 63.0 FTEs
- As authorized by Art. IX, Sec. 14.01, Appropriation Transfers, the following strategy transfers were made to align funding with projected agency needs:
  - \$150,000 (General Revenue) was transferred from Strategy B.1.10 Other CPS Purchased Services to Strategy B.1.8 PAL Purchased Services to provide state match for PAL transitional living allowance and other auxiliary services which are paid directly to PAL youth through a check-writing contract
  - \$443,284 (General Revenue) was transferred from Strategy B.1.10 Other CPS Purchased Services to Strategy B.1.9 Substance Abuse Purchased Services

- \$796,080 (\$611,445 General Revenue; \$184,635 Federal Funds) from Strategy D.1.3 MH and MR Investigations to:
    - ⇒ Strategy D.1.2 APS Program Support - \$110,000 (\$84,488 General Revenue; \$25,512 Federal Funds)
    - ⇒ Strategy F.1.1 Central Administration - \$169,875 (\$133,559 General Revenue; \$36,316 Federal Funds)
    - ⇒ Strategy F.1.2 Other Support Services - \$460,951 (\$350,959 General Revenue; \$109,992 Federal Funds)
    - ⇒ Strategy F.1.3 Regional Administration - \$55,254 (\$42,439 General Revenue; \$12,815 Federal Funds)
  - \$625,177 (\$553,481 General Revenue; \$71,696 Federal Funds) from F.1.4 IT Program Support to Strategy F.1.1 Central Administration
- Adjustments were made for changes in block grants or capped federal funds for a net increase of \$8,597,772 (Art. IX, Sec. 8.02, Federal Funds/Block Grants):
- Strategy B.1.2 CPS Program Support was increased \$7,161,182
    - ⇒ \$399,858 - FFY 2011 Adoption Opportunities grant to reflect receipt of funding for the Diligent Recruitment of Families for Children in the Foster Care System
    - ⇒ Refugee and Entrant Assistance State Administered Programs was increased \$4,543,147 in accordance with the interagency agreement with the Health and Human Services Commission for the administration of the Unaccompanied Refugee Minor program
    - ⇒ Title IV-E Chafee Education and Training Vouchers Program (ETV) was increased \$9,204 to reflect an increase in the ETV administration and service delivery contract with Baptist Children and Family Services
    - ⇒ Child Abuse and Neglect State Grants was increased the net amount of \$2,208,973 to:
      - budget lapsing FFY 2010 grant award (\$188,158) in SFY 2012
      - budget FFY 2011 grant award (\$2,100,303) to support the administrative activities associated with the implementation of Foster Care Redesign in SFY 2012
      - reduce the FFY 2012 grant award amount utilized in SFY 2012 by \$75,399 to be budgeted in SFY 2013
  - Strategy B.1.8 PAL Purchased Services was increased \$1,436,590 to budget available ETV grant to support projected services levels reflected in the ETV administration and service delivery contract with Baptist Children and Family Services
- The following adjustments were made under Art. IX, Sec. 8.03, Reimbursements and Payments:
- Strategy B.1.2 CPS Program Support was increased \$41,850
    - ⇒ The interagency contract with TJPC/TYC was increased \$6,980
    - ⇒ The interagency contract with DePelchin was increased \$34,870
  - Strategy E.1.1 Child Care Regulation was decreased \$26,001 in accordance with the revised interagency contract with the Texas Workforce Commission which provides for the reimbursement of DFPS costs to process listed family home applications for prospective relative child care providers

- The following adjustments were made under Art II, Rider 4, Appropriation of Funds from Counties, Cities, and Other Local Sources:
  - Strategy B.1.1 CPS Direct Delivery Staff was increased \$48,201 for anticipated receipts for CPS Direct Delivery Staff Local Contribution staff
- 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 increased for employee benefit replacement pay in the amount of \$1,777,902 (\$462,071 GR; \$1,303,193 Federal Funds; \$12,638 Other Funds):
  - Strategy A.1.1 Statewide Intake Services was increased \$57,587
  - Strategy B.1.1 CPS Direct Delivery Staff was increased \$1,016,762
  - Strategy B.1.2 CPS Program Support was increased \$199,971
  - Strategy C.1.6 At-Risk Prevention Program was increased \$4,384
  - Strategy D.1.1 APS Direct Delivery Staff was increased \$169,302
  - Strategy D.1.2 APS Program Support was increased \$29,571
  - Strategy D.1.3 MH and MR Investigations was increased \$32,628
  - Strategy E.1.1 Child Care Regulation was increased \$132,073
  - Strategy F.1.1 Central Administration was increased \$89,139
  - Strategy F.1.2 Other Support Services was increased \$11,988
  - Strategy F.1.3 Regional Administration was increased \$1,900
  - Strategy F.1.4 IT Program Support was increased \$32,597
- Adjustments in federal entitlement funds were made in the following strategies for an anticipated net decrease of \$797,106 (Art. IX, Sec. 8.02, Federal Funds/Block Grants):
  - Strategy A.1.1 Statewide Intake Services was decreased \$39,257
  - Strategy B.1.1 CPS Direct Delivery Staff was decreased \$6,762,339
  - Strategy B.1.2 CPS Program Support was decreased \$3,573,855
  - Strategy B.1.3 TWC Foster Day Care was increased \$2,554,034
  - Strategy B.1.11 Foster Care Payments was increased \$7,159,050
  - Strategy B.1.12 Adoption Subsidy/PCA Payments was increased \$269,091
  - Strategy D.1.1 APS Direct Delivery Staff was decreased \$445,497
  - Strategy D.1.2 APS Program Support was decreased \$75,025
  - Strategy D.1.3 MH and MR Investigations was decreased \$50,934
  - Strategy E.1.1 Child Care Regulation was decreased \$62,207
  - Strategy F.1.1 Central Administration was increased \$219,621
  - Strategy F.1.2 Other Support Services was increased \$26,741
  - Strategy F.1.3 Regional Administration was decreased \$93
  - Strategy F.1.4 IT Program Support was decreased \$19,663
  - Strategy F.1.5 Agency-Wide Automated Systems was increased \$3,227

#### BUDGET VARIANCES

This report reflects a net agency shortfall of \$16.1 million that consists of a \$10.1 million shortfall in General Revenue, and a \$6.0 million shortfall in TANF.

Significant projected variances by strategy, based on the HHSC November 2011 caseload update which forecasts higher caseloads than appropriated, are:

- Strategy B.1.11 Foster Care Payments has a projected shortfall of \$7.9 million that consists of \$1.9 million in General Revenue, and \$6.0 million in TANF

- Strategy B.1.12 Adoption Subsidy/PCA Payments has a projected shortfall of \$2.2 million in General Revenue
- Strategy B.1.13 Relative Caregiver Payments has a projected shortfall of \$3.0 million in General Revenue

Shortfalls are also projected for the CPS day care strategies based on previous forecasts and expenditure trends. These trends will be closely monitored as monthly utilization data becomes available.

- Strategy B.1.3 TWC Foster Day Care has a projected shortfall of \$1.5 million in General Revenue
- Strategy B.1.4 TWC Relative Day Care has a projected shortfall of \$0.8 million in General Revenue
- Strategy B.1.5 TWC Protective Day Care has a projected shortfall of \$0.7 million in General Revenue

#### SIGNIFICANT CHANGES FROM PREVIOUS REPORT

This is the first Monthly Financial Report for FY 2012.

#### OTHER KEY BUDGET ISSUES

Until trends can be established, projected expenditures are assumed to equal the operating budget except for foster care, adoption subsidies, Relative Caregiver Monetary Assistance, and day care services.

#### CAPITAL BUDGET ISSUES

There are no capital budget issues at this time.

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

Sincerely,



Cindy Brown  
Chief Financial Officer

cc: Garnet Coleman, State Representative  
Andria Franco, Governor's Office  
Jamie Dudensing, Lieutenant Governor's Office  
Julia Rathgeber, Lieutenant Governor's Office  
Jennifer Deegan, Speaker's Office  
Brittani Bilse, Senate Finance Committee  
Sarah Hicks, Senate Finance Committee  
Nelda Hunter, House Appropriations Committee  
Melitta Berger, Legislative Budget Board  
Nancy Millard, Legislative Budget Board