



TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

COMMISSIONER
Howard G Baldwin Jr.

December 29, 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 November 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 November. In total, the operating budget was decreased by \$412,706.

- The following adjustment was made under Art. IX, Sec. 8.02, Federal Funds/Block Grants:
 - Strategy B.1.2 CPS Program Support had a net increase of \$115,233 for changes in block grants.
 - ⇒ Refugee and Entrant Assistance State Administered Programs was decreased \$9,767 in accordance with the interagency agreement with the Health and Human Services Commission for the administration of the Unaccompanied Refugee Minor program
 - ⇒ Texas Children's Justice Act was increased the net amount of \$125,000 in accordance with the interagency agreement with the Department of Health and Human Services.
- The following adjustment was made under Art. IX, Sec. 8.03, Reimbursements and Payments:
 - Strategy B.1.1 CPS Direct Delivery Staff was decreased \$17,448 (Appropriated Receipts) to reflect a reduction in the budgeted level of Direct Delivery Non-County/Other Contribution staff.
- The following adjustment was 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 decreased \$81,844 (Appropriated Receipts) to reflect the cancellation of the Williamson County local contribution staff inter-local agreement.

- Adjustments in federal entitlement funds were made in the following strategies for an anticipated net decrease of \$428,647 (Art. IX, Sec. 8.02, Federal Funds/Block Grants):
- Strategy B.1.1 CPS Direct Delivery Staff was decreased \$216,817
 - Strategy B.1.2 CPS Program Support was decreased \$111,813
 - Strategy D.1.2 APS Program Support was decreased \$1,370
 - Strategy E.1.1 Child Care Regulation was decreased \$2,851
 - Strategy F.1.1 Central Administration was decreased \$3,280
 - Strategy F.1.2 Other Support Services was increased \$1,760
 - Strategy F.1.3 Regional Administration was decreased \$8
 - Strategy F.1.4 IT Program Support was decreased \$94,270

BUDGET VARIANCES

This report reflects a net agency shortfall of \$12.9 million that consists of a \$7.2 million shortfall in General Revenue, a \$6.0 million shortfall in TANF, a \$0.1 million surplus in Federal Block Grant Funds, and a \$0.2 million surplus in Other Funds.

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 \$1.6 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

There are no significant changes from the previous report. Projected expenditures in the staffing strategies are now based on year-to-date actual and a forecast based on fully utilizing funded positions.

OTHER KEY BUDGET ISSUES

There is not enough data on actual spending trends for purchased client services to base projections on at this point in time. 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 which are forecasted by HHSC.

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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 Bilsse, Senate Finance Committee
Sarah Hicks, Senate Finance Committee
Nelda Hunter, House Appropriations Committee
Melitta Berger, Legislative Budget Board
Nancy Millard, Legislative Budget Board