



TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

COMMISSIONER
John J. Specia, Jr.

August 7, 2013

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 2013 Monthly Financial Report as of June 2013. 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 June. In total, the operating budget was decreased by \$515,932.

- The following adjustment was made for changes in block grants or capped federal funds for a net decrease of \$954,685 under Art. IX, Sec. 8.02, Federal Funds/Block Grants:
 - Strategy B.1.10 Other CPS Purchased Services was decreased by \$954,685 to reflect the federal sequestration reduction of SFY 2013 Child Care and Development Block Grant
- The following adjustment was made in accordance with Art IX, 14.03(i), Limitation on Expenditures - Capital Budget:
 - Within Strategy F.1.5 Agency-Wide Automated Systems, \$634,090 of General Revenue and \$81,822 of other federal funds for a net total of \$715,912 was transferred from Project 3: Tablet PCs for Mobile Casework to Project 1: Desktop Services Lease for Computer Hardware and Software. This capital budget transfer does not exceed the 25% transfer limit.
- The following adjustment was made for a net decrease of \$288,349 of General Revenue in accordance with Art IX, Sec 6.22 (i), Amounts Contingent on Collection of EFF:
 - Strategy B.1.11 Foster Care Payments was decreased \$288,349.

- General Revenue was increased by \$394,675 in Strategy B.1.12 Adoption Subsidy Payments in accordance with the 83rd Legislative Session, House Bill 1025, Section 35
- Adjustments in anticipated federal entitlement funds were made in the following strategies for a net increase of \$332,427 (Art. IX, Sec. 8.02, Federal Funds/Block Grants):
 - Strategy A.1.1 Statewide Intake Services was increased \$613
 - Strategy B.1.1 CPS Direct Delivery Staff was increased \$321,309
 - Strategy B.1.2 CPS Program Support was increased \$13,938
 - Strategy D.1.1 APS Direct Delivery Staff was decreased \$752
 - Strategy D.1.2 APS Program Support was decreased \$492
 - Strategy D.1.3 MH and MR Investigations was decreased \$787
 - Strategy E.1.1 Child Care Regulation was decreased \$224
 - Strategy F.1.1 Central Administration was decreased \$8,199
 - Strategy F.1.2 Other Support Services was increased \$431
 - Strategy F.1.3 Regional Administration was increased \$107
 - Strategy F.1.4 IT Program Support was increased \$10,589
 - Strategy F.1.5 Agency-Wide Automated Systems was decreased \$4,106

BUDGET VARIANCES

This report reflects a net agency surplus of \$13.0 million that consists of a \$8.6 million surplus in General Revenue, a \$0.8 million surplus in TANF ECF, a \$3.0 million surplus in other federal funds, and a \$0.6 million surplus in other funds.

Strategy B.1.1 CPS Direct Delivery Staff has a projected shortfall of a \$3.4 million consisting of a shortfall of \$1million General Revenue, \$3.5 million federal capped grants, a surplus of \$0.8 million TANF ECF Funds, and a surplus of \$0.3 million other funds. Although this projected shortfall is calculated assuming a worst-case scenario that all budgeted positions will be filled for the remainder of the fiscal year, given current vacancy rates, this shortfall can be covered.

Strategy B.1.2 CPS Program Support has a projected surplus of \$1.7 million consisting of \$0.4 million General Revenue, \$1.1 million other federal capped grants and \$0.2 million other funds. The surplus federal capped grant funds are provided for a certain purpose and therefore cannot be transferred to other strategies where additional funds are needed.

Strategy B.1.4 TWC Relative Day Care has a projected surplus of \$0.7 million consisting of \$0.1 General Revenue and \$0.6 million CCDF grant based on the HHSC April 2013 forecasted caseload update. These funds are available to cover needs in other areas of the agency's budget.

Strategy B.1.5 TWC Protective Day Care has a projected shortfall of \$4.5 million consisting of \$3.5 General Revenue and \$1 million CCDF grant based on the HHSC April 2013 forecasted caseload update. This shortfall will be covered by surplus funds in other strategies.

Strategy B.1.10 Other CPS Purchased Services has a projected surplus of \$9.4 million consisting of \$7 million in General Revenue and \$2.4 million in federal capped grants. The agency is planning to reduce the budget in this strategy to help implement the federal sequestration spending cuts. The remaining surplus funds are available to cover the needs in Strategy B.1.5 TWC Protective Day Care, due to the recent approval of our request to exceed the appropriation for that strategy.

Strategy B.1.11 Foster Care Payments has a projected surplus of \$0.9 million General Revenue based on the HHSC April 2013 forecasted caseload update.

Strategy C.1.1 STAR Program has a projected surplus of \$1.5 million consisting of \$1.3 million in General Revenue and \$0.2 million federal capped grants due to contractors not fully utilizing their contracted budgets. These funds are available to cover needs in other areas of the agency's budget.

Strategy D.1.1 APS Direct Delivery Staff has a projected surplus of \$3.1 million consisting of \$1.2 million General Revenue and \$1.9 million Title XX Social Services Block Grant, based on vacancy rates and expenditure trends. The agency is considering reducing the budget in this strategy to help implement the federal sequestration spending cuts.

SIGNIFICANT CHANGES FROM PREVIOUS REPORT

There are no significant changes for this month.

OTHER KEY BUDGET ISSUES

There are no other key budget issues.

CAPITAL BUDGET ISSUES

No significant variances are projected at this time.

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

Sincerely,

Cindy Brown
Chief Financial Officer

cc: Garnet Coleman, State Representative
Dianna Velasquez, Governor's Office
Jamie Dudensing, Lieutenant Governor's Office
Julia Rathgeber, 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