



TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

COMMISSIONER

John J. Specia, Jr.

May 02, 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 March 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 March. In total, the operating budget was increased by \$2,330,743.

- The following adjustments were made for changes in block grants or capped federal funds for a net increase of \$770,916 under Art. IX, Sec. 8.02, Federal Funds/Block Grants:
 - Strategy B.1.1 CPS Direct Delivery Staff was increased by \$1,882,143.
 - ⇒ Title IV-B, Part 2 Promoting Safe and Stable Families-Caseworker Visits program was increased \$1,136,896 to reflect the re-budget of lapsing FFY 2013 grant award from SFY 2013 to SFY 2014.
 - ⇒ TANF Emergency Contingency grant award was increased by \$745,247 to reflect the additional funds received from HHSC, approval letter dated 10/23/2013.
 - Strategy B.1.2 CPS Program Support was decreased by \$46,096 to reflect grant Child Abuse and Neglect State Grants grant award reduction.

- Strategy B.1.6 Adoption Purchased Services increased by \$951,505 to reflect the re-budget of FFY 2013 Adoption Incentive Payments Program grant from SFY 2015 to SFY 2014.
- Strategy B.1.10 Other CPS Purchased Services was decreased by \$2,016,636 to reflect grant award reductions for the following grants:
 - ⇒ FFY 2014 Title IV-B, Part 2 Promoting Safe and Stable Families-Caseworker Visits program was reduced by \$110,896
 - ⇒ FFY 2014 Title IV-B, Part 2 Promoting Safe and Stable Families was decreased \$1,640,094
 - ⇒ FFY 2014 Title IV-B, Part I Child Welfare Services State Grant reduced by \$265,646
- The following adjustments were made under Art. IX, Sec. 8.03, Reimbursements and Payments for a net increase of \$765,000:
 - Strategy B.1.2 CPS Program Support was increased \$750,000 to reflect an Interagency Contract with HHSC to support the CPS operational review and \$15,000 to reflect the updated contract amount with Casey Family Programs to enhance the use and permanency planning of kinship care for children.
- The following adjustments were made in accordance with Art IX, Sec 14.01, Appropriation Transfers (2014-15 GAA):
 - \$580,216 of General Revenue was transferred from Strategy F.1.4 IT Program Support to Strategy F.1.1 Central Administration to cover a shortfall and leadership training.
- The following adjustment was made in accordance of Art IX, Sec.17.06, Appropriation for a Salary Increase for General State Employees:
 - Strategy B.1.2 CPS Program Support was decreased \$16,246.
 - Strategy D.1.1 APS Direct Delivery Staff was decreased \$849.
- Adjustments in anticipated federal entitlement funds were made in the following strategies for a net increase of \$780,274 (Art. IX, Sec. 8.02, Federal Funds/Block Grants):
 - Strategy A.1.1 Statewide Intake Services was increased \$3,569
 - Strategy B.1.1 CPS Direct Delivery Staff was increased \$991,532
 - Strategy B.1.2 CPS Program Support was increased \$202,993
 - Strategy B.1.10 Other CPS Purchased Services was decreased \$263
 - Strategy D.1.1 APS Direct Delivery Staff was increased \$58,945
 - Strategy D.1.2 APS Program Support was increased \$16,805
 - Strategy D.1.3 MH and ID Investigations was increased \$55,673
 - Strategy E.1.1 Child Care Regulation was increased \$11,337
 - Strategy F.1.1 Central Administration was increased \$81,989
 - Strategy F.1.2 Other Support Services was increased \$15,283
 - Strategy F.1.3 Regional Administration was increased \$3,278
 - Strategy F.1.4 IT Program Support was decreased \$598,020
 - Strategy F.1.5 Agency-Wide Automated Systems was decreased by \$62,847

➤ The following adjustment was made under Art IX, Sec 8.08, Conference Fees (2012-13 GAA):

- Strategy C.1.4 Child Abuse Prevention Grants was increased \$6,648 based on collected Partners in Prevention (PIP) Conference Fees revenue.
- Strategy D.1.2 APS Program Support was increased \$25,000 based on estimated collected APS Conference Fees revenue.

BUDGET VARIANCES

This report reflects a net agency surplus of \$3.8 million surplus consisting of \$2.2 million General Revenue and \$1.6 million Federal Funds.

Strategy B.1.1 CPS Direct Delivery Staff has projected \$4.6 million shortfall consisting of \$4.6 million General Revenue due to increased hiring, anticipated travel, overtime and other operating expenses.

Strategy B.1.2 CPS Program Support has a projected surplus of \$2.3 million consisting of \$2.0 million General Revenue, and \$0.3 million Federal Capped Grants, based on vacant FTEs and expenditure trends.

Strategy B.1.7 Post-Adoption Purchased Services has a projected surplus of \$0.3 million consisting of \$0.2 million of General Revenue and \$0.1 million of Federal Capped Grants, based on expenditure trends.

Strategy B.1.8 PAL Purchased Services has a projected surplus of \$1.4 million consisting of \$0.3 million of General Revenue and \$1.1 million Federal Capped Grants, based on expenditure trends.

Strategy B.1.9 Substance Abuse Purchased Services has a projected shortfall of \$0.9 million of General Revenue, based on expenditure trends.

Strategy B.1.10 Other CPS Purchased Services has a projected surplus of \$3.0 million consisting of \$3.1 million surplus of General Revenue and \$0.1 million shortfall of Federal Capped Grants. \$1.6 million of this surplus will be used to create new and increase the existing Capital Projects, pending Legislative Budget Board and Governor's Office of Budget, Planning and Policy approval.

Strategy C.1.5 Other At-Risk Prevention Programs has a projected surplus of \$8.1 million of General Revenue. According to the Rider 24, DFPS may only use appropriated funds for at-risk prevention services that are competitively procured. DFPS is currently in the process of procuring these services for some portion of this surplus. \$367,000 of General Revenue surplus will be used to create new and increase the existing Capital Projects, pending Legislative Budget Board and Governor's Office of Budget, Planning and Policy approval.

Strategy C.1.6 At-Risk Prevention Program Support has a projected surplus of \$0.5 million, consisting of \$0.4 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 surplus of \$2.9 million consisting of \$2.8 million of General Revenue and \$0.1 million of Federal Capped Grants due to vacant FTEs.

Strategy E.1.1 Child Care Regulation has projected surplus of \$0.9 million of General Revenue due primarily to vacant FTEs.

Strategy F.1.2 Other Support Services has a projected shortfall of \$0.9 million 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 \$5.9 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 \$1.1 million of General Revenue. Unobligated balances will be carried forward to FY2015.

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

- Strategy B.1.3 TWC Foster Day Care has a projected shortfall of \$0.6 million.
- Strategy B.1.4 TWC Relative Day Care has a projected surplus of \$0.3 million.
- Strategy B.1.5 TWC Protective Day Care has a projected shortfall of \$6.3 million.
- Strategy B.1.11 Foster Care Payments has a projected shortfall of \$8.0 million.
- Strategy B.1.12 Adoption Subsidy/PCA Payments has a projected shortfall of \$1.9 million.
- Strategy B.1.13 Relative Caregiver Monetary Assistance Payments Care has a projected surplus of \$1.3 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

Letter Topic Appropriation Year 2014	HHSC/DFPS Letter Date	Approval/Response Received by January 2, 2014	
		LBB	Governor
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	N	N

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

Sincerely,

Kate McGrath and Ursula Parks

May 02, 2014

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A handwritten signature in black ink that reads "Tracy Henderson". The signature is written in a cursive, flowing style.

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