



Texas Department of Family and Protective Services

Commissioner
Jaime Masters, MS, MFT

November 4, 2021

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

Mr. Jerry McGinty, Director of Legislative Budget Board
Legislative Budget Board
1501 North Congress Avenue, 5th Floor
Austin, TX 78701

Dear Ms. Hicks and Mr. McGinty:

Enclosed is the agency's FY 2022 Monthly Financial Report as of September 2021. 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.

Schedules are updated to meet the reporting requirements in Rider 6, Other Reporting Requirements. A.1.1, Statewide Intake Services, and D.1.1, APS Direct Delivery Staff, are added to Schedule 11, which provides 5-year detail of actual and projected expenditure information by Object of Expense and Method of Finance. Also, in accordance with Rider 6, Other Reporting Requirements, Statewide Intake performance measures are included in Schedule 9, Select Performance Measures. Revenue for Object Code 3770, Administrative Penalties, is included in the Revenue Schedule for Appropriated Receipts (0666) to meet the requirements for Rider 30, Contractor Penalties and Incentives.

In addition, a supplemental report is provided this month in accordance with Rider 31, Purchased Client Services Reporting and Limitations as outlined in S.B.1, 87th Legislature, Regular Session.

BUDGET ADJUSTMENTS

The budget adjustments listed below apply to the appropriation year 2022 as of the end of September 2021. Adjustments to Department of Family and Protective Services (DFPS) appropriation pattern as detailed in the Conference Committee version of S.B.1, 87th Legislature, Regular Session are described below:

A. This adjustment reflects supplemental funding for Foster Care Capacity Improvement appropriated under HB 5, 87th Leg, Second Called Session, 2021, Sec.11.52.

B. This adjustment reflects changes in estimated federal entitlement funds (gains or losses) pursuant to Art IX, Sec 13.01, Federal Funds/Block Grants Fed Entitlements. Total amounts by CFDA are listed below.

93.090.050-Title IV-E Guardianship Assistance - Administration (\$190,261)
93.090.060- Title IV-E Guardianship Assistance – FMAP \$99,057
93.658.050-Title IV-E Foster Care – Administration (\$7,790,002)
93.658.075-Title IV-E Foster Care-Training-75% \$972,147
93.659.050-Title IV-E Adoption Assistance - Administration (\$236,685)
93.659.060- Title IV-E Adoption Assistance – FMAP \$1,287,933
93.659.075-Title IV-E Adoption Assistance-Training-75% \$1,764
93.778.003-Medical Assistance Program 50% \$1,055,353

C. Pursuant to Art IX, Sec 13.01, Federal Funds/Block Grants, adjustments have been made to align federal funds/block grants with award amounts and re-budget federal funds/block grants between FY21 and FY22. Total amounts by CFDA are listed below.

93.556.003 - Title IV-B, Part 2 – Kinship Navigator \$1,748,597
93.556.005 - Title IV-B, Part 2 – FFTA \$353,884
93.599.119 - Title IV-E ETV HR 133 Coronavirus \$1,680,546
93.669.000 - Child Abuse and Neglect State Grants \$2,013,557
93.674.000 - Chafee Foster Care Independence Program (\$1,240,992)
93.674.119 - Chafee Foster Care Independence Program HR 133 Coronavirus \$7,150,000
93.747.119 – Elder Abuse PIP HR 133 Coronavirus \$1,500,000
93.870.000 - Home Visiting Grant – Formula \$60,344
93.870.119 – Home Visiting Grant HR 133 Coronavirus - \$2,619,173

D. This adjustment reflects changes in estimated interagency contracts pursuant to Art IX, Sec 8.02, Reimbursements and Payments.

I. This adjustment reflects CBC Transition Strategy Transfer pursuant to Article IX, Sec. 18.65. Contingency for Senate Bill (2022-23 GAA).

J. This adjustment reflects additional budget appropriated under Article II, Special Provision Related to All Health and Human Services Agencies, Sec. 26 (2022-23 GAA).

K. This adjustment reflects additional budget appropriated under Article IX, Sec. 17.29 Family Finding Collaboration Funding (2022-2023 GAA).

V. These adjustments reflect Capital carry forward of funding appropriated by the 87th Legislature, Regular Session House Bill 2, Sections 35(a) (5), 35(d) (4).

BUDGET VARIANCES

Schedules 1, 4, and 5 of this report reflect the agency's current projections for program expenditures, the 2021 Summer forecast for entitlement programs (Foster Care and Adoption Subsidy/PCA), Contracted Day Care services, and the Relative Other Designated Caregiver program as well as an entitlement budget adjustment for the enhanced FMAP. Projections for forecasted programs have been further adjusted to reflect anticipated general revenue savings from the enhanced FMAP rates approved through the CARES Act through the end of the calendar year.

The agency has also increased projections to account for federal funds received under HR 748: Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136) and HR 133: Consolidated Appropriations Act, 2021 (Public Law 116-260).

This report reflects an agency deficit of \$6.7 million all funds consisting of a deficit of \$32.6 million in General Revenue and a surplus of \$25.9 million in Federal Funds.

- Appropriations that are anticipated to result in lapsed budget authority are expressed as a positive variance:
 - 8008 – GR Title IV-E FMAP
 - 93.558 – Temporary Assistance to Needy Families (TANF)
 - 93.575 - Child Care and Development Block Grant
 - 93.658.050 – Title IV-E Foster Care – Administration
 - 93.658.060 – Title IV-E Foster Care - FMAP
 - 93.659.050 – Title IV-E Adoption Assistance – Administration

- Appropriations for which expense is projected to exceed the adjusted budget are reflected as a negative variance:
 - 0001 – General Revenue
 - 93.090.050 – Title IV-E Guardianship Assistance – Administration
 - 93.090.060 – Title IV-E Guardianship Assistance – FMAP
 - 93.659.060 – Title IV-E Adoption Assistance – FMAP

The projected general revenue variances are summarized as follows:

- Entitlement Programs - **\$36.8** million deficit
- Non-Entitlement Programs - **\$4.2** million lapse

SIGNIFICANT CHANGES FROM PREVIOUS REPORT

This is the first Monthly Financial Report for FY 2022.

OTHER KEY BUDGET ISSUES

This month's report reflects the Summer forecast for entitlement programs (Foster Care and Adoption Subsidy/PCA), Contracted Day Care services, and Relative Other Designated Caregiver program. The forecast includes updating the end date for enhanced FMAP rates to December 2021 and incorporates changes in expense type for the Foster Care Payment strategy.

Additional funding appropriated under Article II, Sec. 26, Article IX, Sec. 17.29, and Article IX, Sec. 18.65 are reflected in this report. Supplemental Funding for Foster Care Capacity Improvements appropriated under HB 5, 87th Leg, Second Called Session, 2021, Sec. 11.52 is also reflected. Finally, the agency booked carry-forward of capital funding appropriated by 87th Legislature, Regular Session House Bill 2, Sec. 35(A)(5), 35(d)(4).

CAPITAL BUDGET ISSUES

The budget in Schedule 8 (Capital Projects) reflects the DFPS 2022-2023 capital appropriation levels. Future adjustments will be reflected in Monthly Financial Reports as revenues are realized and/or actual adjusting entries are processed in the Uniform State Accounting System.

B. This adjustment reflects changes in estimated federal entitlement funds (gains or losses) pursuant to Art IX, Sec 13.01, Federal Funds/Block Grants Fed Entitlements.

V. These adjustments reflect carry-forward of funding appropriated by 87th Legislature, Regular Session House Bill 2, Sec 35(A)(5), 35(d)(4).

STATUS OF PENDING TRANSFERS AND AUTHORITY REQUIRING PRIOR APPROVAL

Schedule 10 contains a full listing of request for approval and notifications that DFPS has submitted for the fiscal year. The items listed below are pending or newly approved.

| Letter Topic | HHSC/DFPS | LBB | Governor |
|---------------------------|--------------------|------------|-----------------|
| Appropriation Year | Letter Date | | |
| N/A | N/A | N/A | N/A |

Please feel free to contact me at 512-929-7427 if you have any questions or require additional information.

Ms. Sarah Hicks
Mr. Jerry McGinty
November 4, 2021
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Sincerely,

A handwritten signature in cursive script that reads "Lea Ann Biggar".

Lea Ann Biggar
Budget Director

cc: Heather Fleming, Governor's Office
Jessica Olson, Lieutenant Governor's Office
Molly Czepiel, Speaker's Office
William Seilheimer, House Appropriations Committee
Stacey Gilliam, Senate Finance Committee
Alyssa Jones, Senate Finance Committee
Julie Lindsey, Legislative Budget Board
Andrea Nikic, Legislative Budget Board
Nicole Delaney, Legislative Budget Board
Rob Coleman, Director of Fiscal Management
Garnet Coleman, State Representative