



## TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

COMMISSIONER  
John J. Specia, Jr.

November 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 2014 Monthly Financial Report as of September 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 September. In total, the operating budget was increased by \$15,679,744.

- The following adjustment was made in accordance with the 83<sup>rd</sup> Legislature, SB1, Art II, Special Provisions Relating to All Health and Human Services Agencies, Sec 10:
  - Strategy F.1.4 IT Program Support was increased \$50,894 (\$43,260 General Revenue; \$7,634 Federal Funds) due to an Inventory System Upgrade transfer from HHSC
- The following adjustment was made in accordance with, SB1, Art II, Rider 37
  - Strategy B.1.2 CPS Program Support was decreased by \$500,000 General Revenue due to the passage failure of HB 969, Student Loan Repayment Assistance Program
- The following adjustments were made for changes in block grants or capped federal funds for a net increase of \$1,481,135 under Art. IX, Sec. 8.02, Federal Funds/Block Grants:
  - Strategy B.1.1 CPS Direct Delivery Staff was increased by \$1,610,745 to reflect the re-budget of TANF Emergency Contingency Fund from SFY 2013 to SFY 2014
  - Strategy B.1.8 PAL Purchased Services was decreased by \$780,000 to reflect the re-budget of Chafee Foster Care Independence Program grant from SFY 2014 to SFY 2013 to address a funding need in that fiscal year

- Strategy D.1.1 APS Direct Delivery Staff was increased by \$650,390 to reflect the re-budget of Elder Abuse Prevention Interventions Program grant from SFY 2013 to SFY 2014
- The following adjustment was made under Art. IX, Sec. 8.03, Reimbursements and Payments:
  - Strategy B.1.2 CPS Program Support was increased by \$8,750 to fund specific activities related to the Casey Family Programs (Child Welfare Initiative) contract
- The following adjustment was made under Art IX, Sec 17.08, Technical Adjustments for Data Center Services:
  - Strategy F.1.5 Agency-wide Automated Systems was increased by \$352,467 General Revenue and \$109,168 Federal Funds for a total of \$461,635
- The following adjustments were made for a net increase of \$4,545,859 (\$4,038,793 General Revenue; \$507,066 Federal Funds) under Art IX, Sec.17.06, Appropriation for a Salary Increase for General State Employees:
  - Strategy A.1.1 Statewide Intake Services was increased \$158,109
  - Strategy B.1.1 CPS Direct Delivery Staff was increased \$3,236,872
  - Strategy B.1.2 CPS Program Support was increased \$265,049
  - Strategy C.1.4 Child Abuse Prevention Grants was increased \$994
  - Strategy C.1.6 At-Risk Prevention Program was increased \$10,903
  - Strategy D.1.1 APS Direct Delivery Staff was increased \$282,452
  - Strategy D.1.2 APS Program Support was increased \$38,348
  - Strategy D.1.3 MH and ID Investigations was increased \$65,211
  - Strategy E.1.1 Child Care Regulation was increased \$243,730
  - Strategy F.1.1 Central Administration was increased \$117,218
  - Strategy F.1.2 Other Support Services was increased \$27,355
  - Strategy F.1.3 Regional Administration was increased \$2,825
  - Strategy F.1.4 IT Program Support was increased \$96,793
- 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 \$1,393,850 (\$1,237,293 General Revenue; \$156,557 Federal Funds):
  - Strategy A.1.1 Statewide Intake Services was increased \$43,178
  - Strategy B.1.1 CPS Direct Delivery Staff was increased \$821,200
  - Strategy B.1.2 CPS Program Support was increased \$164,093
  - Strategy C.1.6 At-Risk Prevention Program was increased \$2,141
  - Strategy D.1.1 APS Direct Delivery Staff was increased \$124,252
  - Strategy D.1.2 APS Program Support was increased \$25,847
  - Strategy D.1.3 MH and ID Investigations was increased \$20,382
  - Strategy E.1.1 Child Care Regulation was increased \$107,112
  - Strategy F.1.1 Central Administration was increased \$53,209
  - Strategy F.1.2 Other Support Services was increased \$7,958
  - Strategy F.1.3 Regional Administration was increased \$2,954
  - Strategy F.1.4 IT Program Support was increased \$21,524

➤ Adjustments in anticipated federal entitlement funds were made in the following strategies for a net increase of \$8,237,621 (Art. IX, Sec. 8.02, Federal Funds/Block Grants):

- Strategy B.1.3 TWC Foster Day Care was decreased \$1,076,926
- Strategy B.1.11 Foster Care Payments was increased \$8,173,703
- Strategy B.1.12 Adoption Subsidy Payments was increased \$1,140,844

#### BUDGET VARIANCES

This report reflects a net agency shortfall of \$4.3 million General Revenue.

The following General Revenue variances are projected based on the HHSC August 2013 caseload and expenditure forecast:

- Strategy B.1.3 TWC Foster Day Care has a projected shortfall of \$0.3 million.
- Strategy B.1.4 TWC Relative Day Care has a projected surplus of \$0.9 million.
- Strategy B.1.5 TWC Protective Day Care has a projected shortfall of \$5.6 million.
- Strategy B.1.11 Foster Care Payments has a projected surplus of \$2.9 million.
- Strategy B.1.12 Adoption Subsidy/PCA Payments has a projected shortfall of \$2.2 million.

#### SIGNIFICANT CHANGES FROM PREVIOUS REPORT

This is the first Monthly Financial Report for FY 2014.

#### OTHER KEY BUDGET ISSUES

Until trends can be established, projected expenditures are assumed to equal the operating budget except for foster care, adoption subsidies, and CPS day care services. Federal sequestration in FY 2014 has not been included in this month's report because the agency is still determining an appropriate estimate of the reductions. However, it is anticipated that an estimate of sequestration reductions will be included in next month's report which will decrease projected expenditures shown in this report. The operating budget will not be decreased until later in the year when the agency receives the grant award for the affected federal funds.

#### 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

Kate McGrath and Ursula Parks

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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  
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