



TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

COMMISSIONER
John J. Specia, Jr.

June 9, 2015

Ms. Kara Belew, Budget 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. Belew and Ms. Parks:

Enclosed is the agency's FY 2015 Monthly Financial Report as of April 2015. 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 April. In total, the operating budget was decreased by \$602,339.

- Article IX, Section 8.02 - Federal Funds/Block Grants (Net Decrease of \$602,339):
 - ❖ Block Grants/Capped Titles (Net Decrease of \$43,354):
 - Strategy B.1. 2 - CPS Program Support was decreased by \$43,354 to reflect a re-budget of the CAPTA grant from FY 2015 to FY 2014.
 - ❖ Entitlement Federal Funds (Net Decrease of \$559,045):
 - Strategy B.1.1 CPS Direct Delivery Staff was decreased by \$351,570
 - Strategy B.1.3 TWC Foster Day Care was decreased by \$131,559.
 - Strategy B.1.11 Foster Care Payments was decreased by \$334,394.
 - Strategy B.1.12 Adoption Subsidy/PCA Payments increased by \$363,576.
 - Strategy F.1.5 Agency-Wide Automated Systems was decreased by \$105,098.

BUDGET VARIANCES

This report reflects a net agency shortfall of \$10.4 million consisting of a \$12.4 million shortfall in General Revenue and \$1.9 million surplus in Federal Funds and \$0.1 million surplus in Other Funds. Significant budget variances are identified below.

- Strategy B.1.1 - CPS Direct Delivery Staff has a projected surplus of \$14.1 million consisting of a \$14.0 million surplus in General Revenue and \$0.1 million surplus in Other Funds. This surplus is primarily salary funds because of vacant appropriated FTEs. The agency projects to see modest growth in hiring in May followed by a small steady increase for the remainder of the fiscal year. DFPS plans to request approval to utilize these excess funds for anticipated shortfalls in other strategies.
- Strategy B.1.6 - Adoption Purchased Services has a projected shortfall of \$1.5 million in General Revenue. Adoption placements and consummations are higher than expected. This shortfall can be offset by surplus funds in other DFPS strategies.
- Strategy B.1.9 - Substance Abuse Purchased Services has a projected shortfall of \$2.3 million consisting of \$2.5 million shortfall in General Revenue and \$0.2 million surplus in TANF primarily resulting from increases in drug testing costs. DFPS will enter into a new procurement for drug testing and DFPS is closely examining service policy and procedures. Expenditure trends will be closely monitored. This shortfall can be offset by surplus funds in other DFPS strategies.
- Strategy C.1.4 - Child Abuse Prevention Grants has a projected surplus of \$0.8 million in Federal Funds because of projected contract balances. PEI staff is currently exploring options to utilize these funds. Any unused CBCAP federal funds will be re-budgeted to FY 2016 in accordance with the terms and conditions of the grant.
- Strategy D.1.1 - APS Direct Delivery Staff has a projected surplus of \$2.1 million in General Revenue. This surplus is primarily salary funds because of vacant appropriated FTEs. DFPS plans to request approval to utilize these excess funds for anticipated shortfalls in other strategies.
- Strategy E.1.1 - Child Care Regulation has a projected surplus of \$1.4 million in General Revenue as a result of vacant FTEs. DFPS plans to request approval to utilize these excess funds for anticipated shortfalls in other strategies.

The following General Revenue variances are projected based on the HHSC May 2015 caseload and expenditure forecast:

- Strategy B.1.3 TWC Foster Day Care has a projected shortfall of \$0.2 million.
- Strategy B.1.4 TWC Relative Day Care has a projected surplus of \$0.1 million.
- Strategy B.1.5 TWC Protective Day Care has a projected shortfall of \$3.1 million.
- Strategy B.1.11 Foster Care Payments has a projected shortfall of \$19.6 million.
- Strategy B.1.12 Adoption Subsidy/PCA Payments has a projected shortfall of \$0.1 million.
- Strategy B.1.13 Relative Caregiver Monetary Assistance Payments Care has a projected shortfall of \$2.1 million.

SIGNIFICANT CHANGES FROM PREVIOUS REPORT

There are no significant changes at this time.

OTHER KEY BUDGET ISSUES

The agency will address FY 2015 strategy shortfalls in accordance with budget transfer authority authorized by HB-2, 84th Legislature, Regular Session.

CAPITAL BUDGET ISSUES

None at this time.

STATUS OF PENDING TRANSFERS AND AUTHORITY REQUIRING PRIOR APPROVAL

Letter Topic Appropriation Year 2014	HHSC/DFPS Letter Date	Approval/Response Received by June 1, 2015	
		LBB	Governor
Request Use of General Revenue Funds Available in Relative Foster Day Care and Prevention to Meet a Critical Need in Protective Day Care in Fiscal Year 2014	October 28, 2014	N	N

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

Sincerely,



Tracy Henderson
Chief Financial Officer

- cc: Garnet Coleman, State Representative
Meghan Weller, Governor's Office
Jessica Olson, Lieutenant Governor's Office
Heather Fleming, Speaker's Office
Shannon Ghangurde, Senate Finance Committee
Stacey Gilliam, Senate Finance Committee
Hunter Thompson, House Appropriations Committee
Kyler Arnold, House Appropriations Committee
Melitta Berger, Legislative Budget Board
Shaniqua Johnson, Legislative Budget Board