



## TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

COMMISSIONER  
Howard G Baldwin Jr.

December 5, 2011

Mr. Jonathan Hurst, Director  
Governor's Office of Budget, Planning and Policy  
1100 San Jacinto, 4th Floor  
Austin, TX 78701

Mr. John O'Brien, Director  
Legislative Budget Board  
1501 North Congress Avenue, 5th Floor  
Austin, TX 78701

Dear Mr. Hurst and Mr. O'Brien:

Enclosed is the agency's FY 2012 Monthly Financial Report as of October 2011. 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

There were no budget adjustments during the month of October.

### BUDGET VARIANCES

This report reflects an agency shortfall of \$16.1 million that consists of \$10.1 million in General Revenue and \$6.0 million in TANF.

Significant projected variances by strategy, based on the HHSC November 2011 caseload update which forecasts higher caseloads than appropriated, are:

- Strategy B.1.11 Foster Care Payments has a projected shortfall of \$7.9 million that consists of \$1.9 million in General Revenue, and \$6.0 million in TANF
- Strategy B.1.12 Adoption Subsidy/PCA Payments has a projected shortfall of \$2.2 million in General Revenue
- Strategy B.1.13 Relative Caregiver Payments has a projected shortfall of \$3.0 million in General Revenue

Shortfalls are also projected for the CPS day care strategies based on previous forecasts and expenditure trends. These trends will be closely monitored as monthly utilization data becomes available.

- Strategy B.1.3 TWC Foster Day Care has a projected shortfall of \$1.5 million in General Revenue
- Strategy B.1.4 TWC Relative Day Care has a projected shortfall of \$0.8 million in General Revenue

- Strategy B.1.5 TWC Protective Day Care has a projected shortfall of \$0.7 million in General Revenue

#### SIGNIFICANT CHANGES FROM PREVIOUS REPORT

There are no significant changes from the previous report.

At the start of a fiscal year, projected expenditures are considered to be very preliminary. As projected expenditures and estimated federal revenue are refined and updated, and when periodic caseload updates are made by HHSC, the agency's overall financial position will change accordingly.

#### OTHER KEY BUDGET ISSUES

Until trends can be established, projected expenditures are assumed to equal the operating budget except for foster care, adoption subsidies, Relative Caregiver Monetary Assistance, and day care services.

#### CAPITAL BUDGET ISSUES

There are no capital budget issues at this time.

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

Sincerely,



Cindy Brown  
Chief Financial Officer

cc: Garnet Coleman, State Representative  
Andria Franco, Governor's Office  
Jamie Dudensing, Lieutenant Governor's Office  
Julia Rathgeber, Lieutenant Governor's Office  
Jennifer Deegan, Speaker's Office  
Brittani Bilse, Senate Finance Committee  
Sarah Hicks, Senate Finance Committee  
Nelda Hunter, House Appropriations Committee  
Melitta Berger, Legislative Budget Board  
Nancy Millard, Legislative Budget Board