



TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

COMMISSIONER
John J. Specia, Jr.

January 2, 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 November 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

There were no budget adjustments during the month of November.

BUDGET VARIANCES

This report reflects a net agency shortfall of \$16.2 million General Revenue.

Strategy B.1.10 Other CPS Purchased Services has a projected surplus of \$0.7 million of General Revenue. This surplus is earmarked for anticipated across-the-board grant award reductions resulting from federal sequestration mandates.

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

- Strategy B.1.3 TWC Foster Day Care has a projected shortfall of \$0.9 million.
- Strategy B.1.4 TWC Relative Day Care has a projected surplus of \$0.2 million.
- Strategy B.1.5 TWC Protective Day Care has a projected shortfall of \$7.1 million.
- Strategy B.1.11 Foster Care Payments has a projected shortfall of \$7.0 million.
- Strategy B.1.12 Adoption Subsidy/PCA Payments has a projected shortfall of \$2.4 million.
- Strategy B.1.13 Relative Caregiver Monetary Assistance Payments Care has a projected surplus of \$0.3 million.

SIGNIFICANT CHANGES FROM PREVIOUS REPORT

There are no significant changes for this month.

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.

DFPS is currently estimating a reduction of \$7.6 million federal funds due to sequestration. Utilization of prior year grant balances and other adjustments help minimize the impact to DFPS programs, resulting in an estimated overall impact of \$1.8 million. The operating budget will not be reduced until later in the year when the agency receives the actual grant award for the affected federal funds.

CAPITAL BUDGET ISSUES

No significant variances are projected at this time. 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 Out of Strategy B.1.11 Foster Care Payments for Redaction Efforts	10/14/2013	12/20/2013	N
FTE Transfers Between HHS Agencies for Procurement Activities (HHSC-2013-A-261)	10/22/2013	N	N
Approval to Use a Portion of the Unexpended Balances of TANF Emergency contingency Funds at the Department of Family and Protective Services (HHSC-2013-A-262)	10/23/2013	N	N
FTE Transfers Between HHS Agencies due to the FTE increase at DFPS (HHSC-2013-A-264)	11/08/2013	N	N

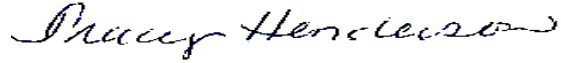
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Please contact Beth Cody, Budget Director, at 438-3351 if you have any questions or require additional information.

Sincerely,



Tracy Henderson
Interim 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