



TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

COMMISSIONER
John J. Specia, Jr.

January 6, 2015

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 2015 Monthly Financial Report as of November 2014. 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 November. In total, the operating budget was decreased by \$458,171.

- Article IX, Section 8.02 - Federal Funds/Block Grants (Net Decrease of \$458,171):
 - ❖ Block Grants/Capped Titles (Net Decrease of \$200,000):
 - Strategy B.1.10 Other Purchased Services was decreased by \$200,000 to reflect the re-budget of Adoption Incentive Payments Grant fund from FY 2015 into FY 2014
 - ❖ Entitlement Federal Funds (Net Decrease of \$258,171):
 - Strategy B.1.3 TWC Foster Day Care was decreased \$2,862
 - Strategy B.1.11 Foster Care Payments was decreased \$225,794
 - Strategy B.1.12 Adoption Subsidy Payments was decreased \$29,515

BUDGET VARIANCES

This report reflects a net agency shortfall of \$26.1 million General Revenue.

The following General Revenue variances are projected based on the HHSC November 2014 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 \$0.4 million
- Strategy B.1.11 Foster Care Payments has a projected shortfall of \$23.3 million
- Strategy B.1.12 Adoption Subsidy/PCA Payments has a projected surplus of \$0.1 million
- Strategy B.1.13 Relative Caregiver Monetary Assistance Payments Care has a projected shortfall of \$2.4 million

SIGNIFICANT CHANGES FROM PREVIOUS REPORT

There are no significant changes at this time.

OTHER KEY BUDGET ISSUES

Until trends can be established, projected expenditures are assumed to equal the Operating Budget except for Foster Care Payments, Adoption/PCA Payments, TWC Day Care Services, and Relative Caregiver Payments strategies.

CAPITAL BUDGET ISSUES

No significant variances are projected at this time.

STATUS OF PENDING TRANSFERS AND AUTHORITY REQUIRING PRIOR APPROVAL

Letter Topic Appropriation Year 2014 & 2015	HHSC/DFPS Letter Date	Approval/Response Received by December 31, 2014	
		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
Request to Incentivize Child Placing Agencies to Place Sibling Groups of Three Or More Together in Fiscal Year 2015	September 24, 2014	Y	N/A

Kate McGrath and Ursula Parks

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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
Chief Financial Officer

cc: Garnet Coleman, State Representative
Becky Dean, Governor's Office
Kyle Kamrath, Governor's Office
Hasan Mack, 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