



Texas Department of Family and Protective Services

Commissioner
Jaime Masters, MS, MFT

September 15, 2022

Ms. Sarah Hicks, Director of Policy and Budget
Governor's Office of Budget, Planning and Policy
1100 San Jacinto, 4th Floor
Austin, TX 78701

Mr. Jerry McGinty, Director of Legislative Budget Board
Legislative Budget Board
1501 North Congress Avenue, 5th Floor
Austin, TX 78701

Dear Ms. Hicks and Mr. McGinty:

Enclosed is the agency's FY 2022 Monthly Financial Report as of July 2022. 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.

Schedules are updated to meet the reporting requirements in Rider 6, Other Reporting Requirements. A.1.1, Statewide Intake Services, and D.1.1, APS Direct Delivery Staff, are added to Schedule 11, which provides 5-year detail of actual and projected expenditure information by Object of Expense and Method of Finance. Also, in accordance with Rider 6, Other Reporting Requirements, Statewide Intake performance measures are included in Schedule 9, Select Performance Measures. Revenue for Object Code 3770, Administrative Penalties, is included in the Revenue Schedule for Appropriated Receipts (0666) to meet the requirements for Rider 30, Contractor Penalties and Incentives.

BUDGET ADJUSTMENTS

The budget adjustments listed below apply to the appropriation year 2022 as of the end of July 2022. Adjustments to Department of Family and Protective Services (DFPS) appropriation pattern as detailed in the Conference Committee version of S.B.1, 87th Legislature, Regular Session are described below:

- A. This adjustment reflects supplemental funding for Foster Care Capacity Improvement appropriated under HB 5, 87th Leg, Second Called Session, 2021, Sec.11.52.

B. This adjustment reflects changes in estimated federal entitlement funds (gains or losses) pursuant to Art IX, Sec 13.01, Federal Funds/Block Grants Fed Entitlements. Total amounts by CFDA are listed below.

93.090.050-Title IV-E Guardianship Assistance - Administration (\$170,926)
93.658.050-Title IV-E Foster Care – Administration (\$5,570,726)
93.658.075-Title IV-E Foster Care-Training-75% \$1,158,249
93.659.050-Title IV-E Adoption Assistance - Administration \$80,927
93.659.075-Title IV-E Adoption Assistance-Training-75% \$1,764
93.778.003-Medical Assistance Program 50% \$1,505,546

C. Pursuant to Art IX, Sec 13.01, Federal Funds/Block Grants, adjustments have been made to align federal funds/block grants with award amounts and re-budget federal funds/block grants between FY21 and FY22. Total amounts by CFDA are listed below.

93.556.001 – Title IV-B, Part 2 \$1,167,130
93.556.003 – Title IV-B, Part 2 – Kinship Navigator \$1,771,892
93.556.004 – Title IV-B, Part 2 – NEICE \$296,212
93.556.005 – Title IV-B, Part 2 – FFTA \$1,853,884
93.590.000 – Community-Based Child Abuse Prevention Grants - \$248,368
93.599.000 – Title IV-E ETV - \$7,178
93.643.000 – Children’s Justice Grants to State \$9,684
93.669.000 – Child Abuse and Neglect State Grants \$2,013,557
93.674.000 – Chafee Foster Care Independence Program (\$1,192,740)
93.747.000 – Elder Abuse Prevention Program \$366,574
93.870.000 – Home Visiting Grant – Formula \$1,694,640

D. This adjustment reflects changes in estimated interagency contracts pursuant to Art IX, Sec 8.02, Reimbursements and Payments.

G. This adjustment reflects changes in estimated gift revenue collected pursuant to Art IX, Sec 8.01, Acceptance of Gifts of Money.

H. This adjustment reflects transfers between appropriations within 20 percent limitation to cover projected expense pursuant to Art IX, Sec 14.01(a), Appropriation Transfers (2022-23 GAA).

I. This adjustment reflects CBC Transition Strategy Transfer pursuant to Article IX, Sec. 18.65. Contingency for Senate Bill (2022-23 GAA).

J. This adjustment reflects additional budget appropriated under Article II, Special Provision Related to All Health and Human Services Agencies, Sec. 26 (2022-23 GAA).

K. This adjustment reflects additional budget appropriated under Article IX, Sec. 17.29 Family Finding Collaboration Funding (2022-2023 GAA).

M. Pursuant to Article II, Rider 30, Contractor Penalties and Incentives (2022-23 GAA), this adjustment reflects the estimated revenue to be utilized for awarding incentives to contractors who exceed contractually specified performance outcomes.

N. Pursuant to Article II, Special Provisions Relating to All Health and Human Services Agencies, Sec 9 (2022-23 GAA), this adjustment reflects the transfer between Health and Human Services and DFPS related to system support services, (letter dated 4/1/2022, HHSC-2022-N-692).

O. Pursuant to Art IX, Sec 14.01 (d)(1) Appropriation Transfers, this adjustment reflects transfers from one appropriation item to another appropriation item within the same Indirect Administrative goal without limitation as to the amount of such a transfer.

Q. Pursuant to Art IX, Sec.14.04, Disaster Related Transfer Authority, adjustments have been made to align federal funds/block grants with award amounts. Total amounts by CFDA are listed below:

93.090.060 - Title IV-E Guardianship Assistance – 6.2% FMAP - \$916,160

93.556.119 – Title IV-B, Part 2 CRRSA Coronavirus – \$5,369,214

93.558.119 - TANF Pandemic Emergency Assistance - \$13,285,000

93.590.119 – CBCAP – HR 1319 Coronavirus \$5,884,261

93.599.119 - Title IV-E ETV HR 133 Coronavirus \$2,000,000

93.658.060 - Title IV-E Foster Care – 6.2% FMAP – \$7,617,045

93.659.060 - Title IV-E Adoption Assistance – 6.2% FMAP - \$11,646,958

93.669.119 – Child Abuse and Neglect State Grants HR 1319 Coronavirus - \$2,232,832

93.674.119 - Chafee Foster Care Independence Program HR 133 Coronavirus \$11,572,153

93.747.119 – Elder Abuse PIP HR 133 Coronavirus \$10,734,010

93.870.119 - Home Visiting Grant HR 133 Coronavirus \$2,619,173

R. This adjustment reflects budget increase for funding appropriated under CFDA 21.019 (CRF) and associated General Revenue reduction as prescribed under Art IX, Sec 17.48, Additional Reductions to Appropriations made under other Articles (2022-23 GAA).

V. These adjustments reflect Capital carry forward of funding appropriated by the 87th Legislature, Regular Session House Bill 2, Sections 35(a) (5), 35(d) (4).

BUDGET VARIANCES

Schedules 1, 4, and 5 of this report reflect the agency’s current projections for program expenditures, the 2022 Base Reconciliation forecast for entitlement programs (Foster Care and Adoption Subsidy/PCA), Contracted Day Care services, and the Relative Other Designated Caregiver program as well as an entitlement budget adjustment for the enhanced FMAP. Projections for forecasted programs have been further adjusted to reflect anticipated general

revenue savings from the enhanced FMAP rates approved through the CARES Act through the end of the calendar year.

The agency has also increased projections to account for federal funds received under HR 748: Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136) and HR 133: Consolidated Appropriations Act, 2021 (Public Law 116-260).

This report reflects an agency surplus of \$52.0 million all funds consisting of a deficit of \$15.7 million in General Revenue and a surplus of \$67.8 million in Federal Funds.

- Appropriations that are anticipated to result in lapsed budget authority are expressed as a positive variance:
 - 8008 – GR Title IV-E – FMAP
 - 93.558 – Temporary Assistance to Needy Families (TANF)
 - 93.575 – Child Care and Development Block Grant
 - 93.090.050 - Title IV-E Guardianship Assistance – Administration
 - 93.658.050 – Title IV-E Foster Care – Administration
 - 93.658.060 – Title IV-E Foster Care - FMAP
 - 93.659.050 – Title IV-E Adoption Assistance – Administration
 - 0666 – Appropriated Receipts

- Appropriations for which expense is projected to exceed the adjusted budget are reflected as a negative variance:
 - 0001 – General Revenue
 - 0758 – GR Medicaid Match
 - 93.090.060 – Title IV-E Guardianship Assistance – FMAP
 - 93.659.060 – Title IV-E Adoption Assistance – FMAP

The projected general revenue variances are summarized as follows:

- Entitlement Programs - \$23.6 million lapse
- Non-Entitlement Programs - \$39.3 million deficit

SIGNIFICANT CHANGES FROM PREVIOUS REPORT

This is the eleventh Monthly Financial Report for FY 2022. This month's report reflects the projected need for costs related to children without placement. The agency submitted a request to transfer appropriations in June to address these shortfalls. The RTEs were approved this month of July.

OTHER KEY BUDGET ISSUES

This month's report reflects the Base Reconciliation forecast for entitlement programs (Foster Care and Adoption Subsidy/PCA), Contracted Day Care services, and Relative Other Designated Caregiver program. The forecast includes updating the end date for enhanced FMAP rates through the remainder of FY22 and incorporates changes in expense type for the Foster Care Payment strategy.

Additional funding appropriated under Article II, Sec. 26, Article IX, Sec. 17.29, and Article IX, Sec. 18.65 are reflected in this report. Supplemental Funding for Foster Care Capacity Improvements appropriated under HB 5, 87th Leg, Second Called Session, 2021, Sec. 11.52 is also reflected.

CAPITAL BUDGET ISSUES

The budget in Schedule 8 (Capital Projects) reflects the DFPS 2022-2023 capital appropriation levels. Future adjustments will be reflected in Monthly Financial Reports as revenues are realized and/or actual adjusting entries are processed in the Uniform State Accounting System.

- B. This adjustment reflects changes in estimated federal entitlement funds (gains or losses) pursuant to Art IX, Sec 13.01, Federal Funds/Block Grants Fed Entitlements.
- V. These adjustments reflect carry-forward of funding appropriated by 87th Legislature, Regular Session House Bill 2, Sec 35(A)(5), 35(d)(4).

STATUS OF PENDING TRANSFERS AND AUTHORITY REQUIRING PRIOR APPROVAL

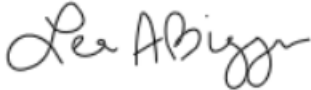
Schedule 10 contains a full listing of request for approval and notifications that DFPS has submitted for the fiscal year. The items listed below are pending or newly approved.

Letter Topic	HHSC/DFPS	LBB	Governor
Appropriation Year	Letter Date		
Request authority to transfer funds for FY2022 to address funding needs (DFPS-2022-A-0004)	June 24, 2022	Y	Y
Request authority to adjust appropriations to meet the projected expenditure needs of CBC Implementation in FY2022-23 (DFPS-2022-A-0005)	June 24, 2022	Y	Y

Ms. Sarah Hicks
Mr. Jerry McGinty
September 15, 2022
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Please feel free to contact me at 512-929-7426 if you have any questions or require additional information.

Sincerely,

A handwritten signature in black ink that reads "Lea Ann Biggar". The signature is written in a cursive, flowing style.

Lea Ann Biggar
Deputy Chief Financial Officer

cc: Madelyn Fletcher, Governor's Office
Jessica Olson, Lieutenant Governor's Office
Molly Czepiel, Speaker's Office
Briana Novian, House Appropriations Committee
Stacey Gilliam, Senate Finance Committee
Alyssa Jones, Senate Finance Committee
Julie Lindsey, Legislative Budget Board
Andrea Nikic, Legislative Budget Board
Amit Patel, Legislative Budget Board
Rob Coleman, Director of Fiscal Management