



TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

COMMISSIONER
Howard G Baldwin Jr.

November 8, 2012

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

Ms. Ursula Parks, Acting Director
Legislative Budget Board
1501 North Congress Avenue, 5th Floor
Austin, TX 78701

Dear Mr. Hurst and Ms. Parks:

Enclosed is the agency's FY 2013 Monthly Financial Report as of September 2012. 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 September. In total, the operating budget was increased by \$13,219,210.

- The following adjustment was made in accordance with 82nd Legislature, HB1, Art IX, Sec. 17.01, Reductions Related to Data Center Services (2012-13 GAA):
 - Strategy F.1.5 Agency-wide Automated Systems was decreased \$428,677 (\$214,746 General Revenue; \$114,497 Federal Funds)
- The following adjustment was made in accordance with 82nd Legislature, HB1, Art II, Rider 28, Contingency for Senate Bill 1580, which did not pass:
 - Strategy E.1.1 Child Care Regulation was decreased \$3,517,000 (General Revenue) with a corresponding FTE cap reduction of 63.0 FTEs
- The following adjustments were made to align funding with projected agency needs under Art IX, Sec 14.01, Appropriation Transfers (2012-13 GAA):
 - \$4,000,000 (\$2,854,103 General Revenue; \$1,145,897 Federal Funds) was transferred from B.1.10 Other CPS Purchased Services to Strategy B.1.1 CPS Direct Delivery Staff

- \$150,000 (General Revenue) was transferred from B.1.10 Other CPS Purchased Services to B.1.8 to provide state match for PAL transitional living allowance and other auxiliary services which are paid directly to PAL youth through a check-writing contract
 - \$655,419 (\$598,405 General Revenue; \$57,014 Federal Funds) was transferred from D.1.3 MH And MR Investigations to D.1.2 APS Program Support
 - \$54,230 (\$47,503 General Revenue; \$6,727 Federal Funds) was transferred from F.1.1 Central Administration to F.1.3 Regional Administration
 - \$669,806 (\$634,380 General Revenue; \$35,426 Federal Funds) was transferred from F.1.4 IT Program Support to F.1.2 Other Support Services
- The following adjustments were made for changes in block grants or capped federal funds for a net increase of \$23,024,916 under Art. IX, Sec. 8.02, Federal Funds/Block Grants:
- Strategy B.1.1 CPS Direct Delivery Staff was increased \$10,737,827:
 - ⇒ Title IV-B, Part 2 Promoting Safe and Stable Families was decreased a net amount of \$420,200 due to:
 - Increase of \$1,911,838 –re-budget lapsing FFY 2012 grant award from SFY 2012 to SFY 2013
 - Decrease \$2,332,038 –estimated loss of FFY 2013 grant award compared to amount appropriated (matches loss of FFY 2012 grant award)
 - ⇒ Title IV-B, Part 2 Promoting Safe and Stable Families - Caseworker Visits was increased \$2,475,197 due to re-budget of lapsing grant award from SFY 2012 to SFY 2013
 - ⇒ Temporary Assistance to Needy Families (TANF) was increased \$3,784,573 to reflect the re-budget of lapsing FFY 2012 grant award from SFY 2012 to SFY 2013
 - ⇒ Title IV-B, Part 1 Child Welfare Services State Grant was increased \$4,898,257 to reflect the re-budget of lapsing FFY 2012 grant award from SFY 2012 to SFY 2013
 - Strategy B.1.2 CPS Program Support was increased \$5,933,077:
 - ⇒ Child Abuse and Neglect State Grants was increased \$142,174 due to re-budget of lapsing grant award from SFY 2012 to SFY 2013
 - ⇒ Adoption Opportunities FFY 2012 grant was increased \$399,858 to reflect receipt of funding for the Diligent Recruitment of Families for Children in the Foster Care System
 - ⇒ Chafee Foster Care Independence Program grant was decreased \$15 due to re-budgeting of lapsing grants
 - ⇒ Children's Justice Grants to States was increased \$125,000
 - ⇒ Refugee and Entrant Assistance State Administered Programs grant was increased \$5,266,060
 - Strategy B.1.8 PAL Purchased Services was increased \$1,999,906:
 - ⇒ Title IV-E Chafee Education and Training Vouchers Program ETV was increased \$1,450,327 due to re-budgeting of lapsing grants
 - ⇒ Chafee Foster Care Independence Program was increased \$549,579 due to re-budgeting of lapsing grants

- Strategy B.1.10 Other CPS Purchased Services was increased \$1,429,698:
 - ⇒ Temporary Assistance to Needy Families (TANF) was increased \$1,628,042 to reflect the re-budget of lapsing FFY 2012 grant award from SFY 2012 to SFY 2013
 - ⇒ Title IV-B, Part 1 Child Welfare Services State Grant was decreased \$198,344 due to the estimated loss of the FFY 2013 grant award (matches loss of FFY 2012 grant award)
 - Strategy B.1.12 Adoption Subsidy Payments was increased \$170,882 in Temporary Assistance to Needy Families (TANF) due to re-budgeting of lapsed grant
 - Strategy C.1.4 Child Abuse Prevention Grants was increased \$2,283,287 in Community-Based Child Abuse Prevention Grants due to re-budgeting of lapsed grants
 - Strategy C.1.6 At-Risk Prevention Program was increased \$18,057 in Community-Based Child Abuse Prevention Grants due to re-budgeting of lapsed grants
 - Strategy D.1.1 APS Direct Delivery Staff was increased \$264,185 in Title XX Social Services Block Grant due to re-budgeting of lapsed grant
 - Strategy D.1.3 MH And MR Investigations was increased \$143,928 in Title XX Social Services Block Grant due to re-budgeting of lapsed grant
 - Strategy E.1.1 Child Care Regulation was increased \$47,388 in Title XX Social Services Block Grant due to re-budgeting of lapsed grant
 - Strategy F.1.4 IT Program Support was decreased \$3,319 in Chafee Foster Care Independence Program due to re-budgeting of lapsed grants
- The following adjustments were made for a net increase of \$1,465,385 under Art. IX, Sec. 8.03, Reimbursements and Payments:
- Strategy B.1.1 CPS Direct Delivery Staff was decreased \$17,313 due to anticipated reduction in need for non-county/other contribution funded programs
 - Strategy B.1.2 CPS Program Support was increased \$1,315,427
 - ⇒ The interagency contract with HHSC for Children's Rights Litigation Support is estimated to increase to \$1,198,583
 - ⇒ The Blue Ribbon Task Force interagency contract is estimated to increase to \$12,500
 - ⇒ The interagency contract with TJJJ was decreased \$17,937
 - ⇒ The interagency contract with TEA (Texas Trio Project) was increased \$14,152
 - ⇒ The interagency contract Casey Family Programs (Child Welfare Initiative) was increased \$63,172
 - ⇒ The interagency contract with DePelchin was increased \$44,957
 - Strategy B.1.8 PAL Purchased Services was increased \$1,000 to establish budget for the C. Ed Davis Scholarship account for FY 2013
 - Strategy E.1.1 Child Care Regulation was increased \$156,271 in accordance with the revised interagency contract with TWC for monitoring TWC relative day care providers
 - Strategy F.1.2 Other Support Services was increased \$10,000 in accordance with the revised interagency contract with TWC for background checks on TWC relative day care providers

- In accordance with Art. I, Information Listing of Funds Appropriation to the Comptroller of Public Accounts for Social Security and BRP, Rider 2, the following strategies were increased for employee benefit replacement pay in the amount of \$1,654,845 (\$425,429 GR; \$1,215,805 Federal Funds; \$13,611 Other Funds):
 - Strategy A.1.1 Statewide Intake Services was increased \$46,398
 - Strategy B.1.1 CPS Direct Delivery Staff was increased \$959,091
 - Strategy B.1.2 CPS Program Support was increased \$190,029
 - Strategy C.1.6 At-Risk Prevention Program was increased \$3,376
 - Strategy D.1.1 APS Direct Delivery Staff was increased \$155,384
 - Strategy D.1.2 APS Program Support was increased \$28,970
 - Strategy D.1.3 MH and MR Investigations was increased \$28,999
 - Strategy E.1.1 Child Care Regulation was increased \$121,797
 - Strategy F.1.1 Central Administration was increased \$74,058
 - Strategy F.1.2 Other Support Services was increased \$11,290
 - Strategy F.1.3 Regional Administration was increased \$1,929
 - Strategy F.1.4 IT Program Support was increased \$33,524

- Adjustments in federal entitlement funds were made in the following strategies for an anticipated net decrease of \$9,032,174 (Art. IX, Sec. 8.02, Federal Funds/Block Grants):
 - Strategy B.1.1 CPS Direct Delivery Staff was decreased \$12,764,943
 - Strategy B.1.2 CPS Program Support was increased \$88,293
 - Strategy B.1.10 Other CPS Purchased Services was decreased \$1
 - Strategy B.1.11 Foster Care Payments was decreased \$399,553
 - Strategy B.1.12 Adoption Subsidy Payments was increased \$4,276,514
 - Strategy D.1.1 APS Direct Delivery Staff was increased \$14,545
 - Strategy D.1.2 APS Program Support was increased \$268
 - Strategy D.1.3 MH and MR Investigations was decreased \$88,654
 - Strategy E.1.1 Child Care Regulation was decreased \$46,178
 - Strategy F.1.1 Central Administration was increased \$311
 - Strategy F.1.2 Other Support Services was increased \$649
 - Strategy F.1.3 Other Support Services was decreased \$1
 - Strategy F.1.4 IT Program Support was decreased \$46,259
 - Strategy F.1.5 Agency-Wide Automated Systems was decreased \$71,749

- The following adjustment was made in accordance with Art II, Rider 4, Appropriation of Funds from Counties, Cities, and Other Local Sources:
 - Strategy B.1.1 CPS Direct Delivery Staff was increased \$376,903 for anticipated receipts for CPS Direct Delivery Staff Local Contribution staff

- The following adjustment was made in accordance with Art IX, 14.03(i), Limitation on Expenditures - Capital Budget:
 - \$122,534 (General Revenue) was transferred from F.1.5 Agency-Wide Automated Systems, Capital Project Tablet PCs for Mobile Casework to E.1.1 Child Care Regulation, Capital Project CLASS Operational Enhancement

- The following adjustment was made per HB 1, 82nd Legislature, Regular Session, Art II, Special Provisions, Section 10, Limitations on Transfer Authority (2012-13 GAA)
 - Strategy B.1.1 CPS Direct Delivery Staff was decreased by \$358,488 (General Revenue) to reflect the transfer of 13 FTEs to HHSC, Center for Elimination of Disproportionality and Disparities (Approval Letters: LBB - November 14, 2011; Governor's Office - November 21, 2011)
- The following adjustment was made per SB 2, Sec 24, 1st Called Session (2012-2013 GAA):
 - Strategy B.1.1 CPS Direct Delivery Staff was increased by \$10,500 to reflect the Specialty License Plates General Revenue-Dedicated account appropriation
- The following adjustment was made under Art IX, Sec 8.08, Conference Fees (2012-13 GAA):
 - Strategy C.1.4 Child Abuse Prevention Grants was increased \$23,000 based on estimated CBCAP Conference Fees

BUDGET VARIANCES

This report reflects an agency shortfall of \$0.5 million that consists of a \$0.2 million shortfall in General Revenue, a \$2.4 million surplus in TANF, and a \$2.7 million shortfall in Federal Entitlements.

Strategy B.1.10 Other CPS Purchased Services has a projected surplus of \$1.6 million in TANF. It is planned to use this surplus to cover shortfalls elsewhere within the agency.

A shortfall of \$3.5 million, consisting of \$0.8 million General Revenue and \$2.7 million Federal Entitlements, is projected for the CPS day care strategies based on the HHSC August 2012 forecasts and expenditure trends.

- Strategy B.1.3 TWC Foster Day Care has a projected net shortfall of \$4.3 million that consists of \$1.6 million shortfall in General Revenue and \$2.7 million shortfall in Federal Entitlements.
- Strategy B.1.4 TWC Relative Day Care has a projected shortfall of \$0.4 million in General Revenue.
- Strategy B.1.5 TWC Protective Day Care has a projected surplus of \$1.2 million that consists of General Revenue.

A surplus of \$1.3 million, consisting of \$0.6 million in General Revenue and \$0.7 million in TANF, is projected based on the HHSC August 2012 caseload update and the appropriated budget.

- Strategy B.1.11 Foster Care Payments has a projected surplus of \$4.4 million that consists of \$3.7 million General Revenue and \$0.7 million TANF.
- Strategy B.1.13 Relative Caregiver Payments has a projected shortfall of \$3.1 million in General Revenue.

SIGNIFICANT CHANGES FROM PREVIOUS REPORT

This is the first Monthly Financial Report for FY 2013.

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, day care services and CPS Purchased Services.

CAPITAL BUDGET ISSUES

No significant variances are projected at this time.

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

Sincerely,



Beth Cody
Acting 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
Sarah Hicks, Senate Finance Committee
Keith Yawn, House Appropriations Committee
Nelda Hunter, House Appropriations Committee
Melitta Berger, Legislative Budget Board
Shaniqua Johnson, Legislative Budget Board