



TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

COMMISSIONER
John J. Specia, Jr.

October 3, 2013

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 2013 Monthly Financial Report as of August 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

The following adjustments were made to the appropriated budget in the month of August. In total, the operating budget was decreased by \$1,072,965.

- The following adjustment was made for changes in block grants or capped federal funds for a net decrease of \$891,334 under Art. IX, Sec. 8.02, Federal Funds/Block Grants:
 - Strategy B.1.1 CPS Direct Delivery Staff was increased by \$1,473,014 to reflect the re-budget of Title IV-B, Part 1 Child Welfare Services State Grant from SFY 2012 to SFY 2013. These federal funds will be used to offset a projected strategy shortfall.
 - Strategy C.1.4 Child Abuse Prevention Grants was decreased by \$867,015 to reflect the re-budget of Community-Based Child Abuse Prevention Grants (Grant Year 2012) from SFY 2013 to SFY 2014 to fund anticipated expenditures
 - Strategy D.1.1 APS Direct Delivery Staff was decreased by \$1,497,333
 - ⇒ Title XX, Social Services Block Grant was decreased by \$1,589,619 to reflect the DFPS' share of the sequestration reduction (Budget Control Act).
 - ⇒ Elder Abuse Prevention Interventions Program was increased \$92,286 (federal funds). The funds are being brought back from SFY 2014 to cover anticipated needs of the project.

- The following adjustments were made in accordance with Art IX, Sec 14.01, Appropriation Transfers (2012-13 GAA):
 - \$300,000 General Revenue was transferred from Strategy B.1.9 Substance Abuse Purchased Services to Strategy B.1.6 Adoption Purchased Services to cover a projected shortfall in the strategy due to contracted grant benefit payments
 - \$300,000 General Revenue was transferred from Strategy C.1.1 STAR Program to Strategy B.1.12 Adoption Subsidy Payments to cover higher expenditures than were forecasted
 - \$1,500,000 General Revenue was transferred to Strategy B.1.1 CPS Direct Delivery Staff from the following strategies to cover a projected shortfall:
 - ⇒ \$1,000,000 from Strategy C.1.1 STAR Program
 - ⇒ \$200,000 from Strategy C.1.2 CYD Program
 - ⇒ \$100,000 from Strategy C.1.3 Texas Families Program
 - ⇒ \$100,000 from Strategy C.1.5 Other At-Risk Prevention Programs
 - ⇒ \$100,000 from Strategy C.1.6 At-Risk Prevention Program Support

- The following adjustment was made for a net decrease of \$34,347 of General Revenue in accordance with Art IX, Sec 6.22 (i), Amounts Contingent on Collection of EFF:
 - Strategy B.1.11 Foster Care Payments was decreased \$34,347.

- The following adjustment was made in accordance with SB 2, Sec 24, 82nd Legislature, 1st Called Session (2012-2013 GAA):
 - Strategy B.1.1 CPS Direct Delivery Staff was increased \$319 to reflect the collected revenue for Specialty License Plates

- Adjustments in anticipated federal entitlement funds were made in the following strategies for a net decrease of \$147,603 (Art. IX, Sec. 8.02, Federal Funds/Block Grants):
 - Strategy A.1.1 Statewide Intake Services was increased \$1,897
 - Strategy B.1.1 CPS Direct Delivery Staff was decreased \$118,538
 - Strategy B.1.2 CPS Program Support was increased \$995
 - Strategy B.1.10 Other CPS Purchased Services was increased \$518
 - Strategy D.1.1 APS Direct Delivery Staff was decreased \$1,627
 - Strategy D.1.2 APS Program Support was increased \$704
 - Strategy D.1.3 MH and MR Investigations was decreased \$2,521
 - Strategy E.1.1 Child Care Regulation was decreased \$1,793
 - Strategy F.1.1 Central Administration was increased \$659
 - Strategy F.1.2 Other Support Services was decreased \$80
 - Strategy F.1.3 Regional Administration was decreased \$753
 - Strategy F.1.4 IT Program Support was decreased \$24,060
 - Strategy F.1.5 Agency-Wide Automated Systems was decreased \$3,004

BUDGET VARIANCES

This report reflects a net agency surplus of \$11.2 million that consists of a \$9.0 million surplus in General Revenue, a \$0.5 million surplus in TANF ECF, a \$1.0 million surplus in other federal funds, and a \$0.8 million surplus in other funds. (Totals do not add due to rounding)

Strategy B.1.2 CPS Program Support has a projected surplus of \$1.7 million consisting of \$0.5 million General Revenue, \$1.0 million other federal capped grants and \$0.2 million other funds. The surplus federal capped grant funds are provided for a certain purpose and therefore cannot be transferred to other strategies where additional funds are needed.

Strategy B.1.4 TWC Relative Day Care has a projected surplus of \$0.9 million of General Revenue based on the HHSC August 2013 forecasted caseload update. These funds are available to cover needs in other areas of the agency's budget.

Strategy B.1.5 TWC Protective Day Care has a projected surplus of \$0.7 million of General Revenue due to the recent approval of our request to exceed the appropriation for that strategy.

Strategy B.1.10 Other CPS Purchased Services has a projected surplus of \$0.7 million of General Revenue

Strategy B.1.11 Foster Care Payments has a projected surplus of \$1.8 million General Revenue based on the HHSC August 2013 forecasted caseload update.

Strategy C.1.1 STAR Program has a projected surplus of \$0.6 million consisting of \$0.2 million in General Revenue and \$0.4 million federal capped grants due to contractors not fully utilizing their contracted budgets. These funds are available to cover needs in other areas of the agency's budget.

Strategy D.1.1 APS Direct Delivery Staff has a projected surplus of \$1.6 million of General Revenue based on vacancy rates and expenditure trends.

Strategy F.1.1 Central Administration has a projected surplus of \$0.7 million of General Revenue due to anticipated vacancies.

Strategy F.1.4 IT Program Support has a projected surplus of \$0.6 million in General Revenue based on expenditure trends.

SIGNIFICANT CHANGES FROM PREVIOUS REPORT

There are no significant changes for this month.

OTHER KEY BUDGET ISSUES

There are no other key budget issues.

CAPITAL BUDGET ISSUES

No significant variances are projected at this time.

Kate McGrath and Ursula Parks

October 3, 2013

Page 4

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

Sincerely,

A handwritten signature in black ink, appearing to read "Beth Cody". The signature is fluid and cursive, with a long horizontal stroke at the end.

Cindy Brown
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