



## TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

COMMISSIONER  
John J. Specia, Jr.

December 4, 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 2015 Monthly Financial Report as of October 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 October. In total, the operating budget was increased by \$6,039,338.

Adjustments have been made in accordance with the General Appropriations Act (GAA) for the 2014-15 Biennium, 83<sup>rd</sup> Legislature, Regular Session (SB-1) as cited below:

- Article II, Rider 4, Appropriation of Funds from Counties, Cities, and Other Local Sources:
  - Strategy F.1.4 IT Program Support was increased \$523,736 to reflect the funding of the National Council on Crime and Delinquency Contract
  
- Article II, Rider 12, Appropriation Transfer Between Fiscal Years:
  - Strategy B.1.11 Foster Care Payments was decreased \$2,100,000 to reflect the GR carry back from FY 2015 to FY 2014 to cover the forecasted shortfall (Request Letter dated 9/18/14; LBB Approval: 10/21/14; GOBPP Approval: 11/6/14)

➤ Article IX, Section 8.02 - Federal Funds/Block Grants (Net Increase of \$1,449,542):

❖ Block Grants/Capped Titles (Net Increase of \$836,302):

- Strategy B.1.2 CPS Program Support was increased by \$836,302 to reflect the re-budget of Child Abuse and Neglect State Grants fund from FY 2014 into FY 2015

❖ Entitlement Federal Funds (Net Increase of \$613,240):

- Strategy B.1.11 Foster Care Payments was decreased \$4
- Strategy B.1.12 Adoption Subsidy Payments was decreased \$135,851
- Strategy D.1.2 APS Program Support was decreased \$17,406
- Strategy F.1.4 IT Program Support was increased \$56,639
- Strategy F.1.5 Agency-Wide Automated Systems was increased \$709,862

➤ Article IX, Sec 14.03(i), Limitation on Expenditures - Capital Budget, (2014-15 GAA):

- F.1.5 Agency-Wide Automated Systems was increased by \$6,166,060 to carry unexpended capital budget balances forward from FY 2014 to FY 2015

#### BUDGET VARIANCES

This report reflects a net agency shortfall of \$26.5 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 \$0.3 million
- Strategy B.1.11 Foster Care Payments has a projected shortfall of \$24.1 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 \$2.1 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**

<b>Letter Topic Appropriation Year 2014 &amp; 2015</b>	<b>HHSC/DFPS Letter Date</b>	<b>Approval/Response Received by December 4, 2014</b>	
		<b>LBB</b>	<b>Governor</b>
Request to 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	N	N

Please contact Beth Cody, Budget Director, at (512) 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  
John Opperman, Lieutenant Governor's Office  
Hasan Mack, Lieutenant Governor's Office  
Heather Fleming, Speaker's Office  
Andrew Blifford, 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