



TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

COMMISSIONER
John J. Specia, Jr.

September 10, 2015

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

Mr. Drew DeBerry, Policy 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. Belew, Mr. DeBerry and Ms. Parks:

Enclosed is the agency's FY 2015 Monthly Financial Report as of July 2015. 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 July. In total, the operating budget was decreased by \$1,797,060.

- Article II, Rider 15 - Limitation on Transfers: CPS and APS Direct Delivery Staff (July 6, 2015 letter):
 - ❖ \$2,576,876 of General Revenue was transferred out of Strategy B.1.1 CPS Direct Delivery Staff and \$500,000 of General Revenue was transferred out of Strategy D.1.1 APS Direct Delivery Staff to the following strategies to cover shortfalls based on the HHSC forecast:
 - \$1,809,171 to Strategy B.1.11 Foster Care Payments
 - \$1,267,705 to Strategy B.1.12 Adoption Subsidy/PCA Payments
- Article II, Rider 27 - Limitation on Appropriations for Day Care Services (July 6, 2015 letter)

\$400,000 of General Revenue was transferred from Strategy B.1.12 Adoption Subsidy/PCA Payments to Strategy B.1.5 Protective Day Care as required by Federal Delinking Savings earmark in Preventing Sex Trafficking/Strengthen Family Act.
- Article IX, Section 8.02 - Federal Funds/Block Grants - Entitlement (Net Decrease of \$1,820,898):

- Strategy B.1.11 Foster Care Payments was decreased by \$1,284,559
 - Strategy B.1.12 Adoption Subsidy/PCA Payments was decreased by \$370,626
 - Strategy B.1.13 TWC Foster Day Care was decreased by \$165,713
- Article IX, Section 8.08 - Conference Fees (Net Increase of \$23,838):
 - Strategy C.1.4 Child Abuse Prevention Programs was increased \$14,781 to reflect collected CBCAP Conference Fees revenue
 - Strategy D.1.2 APS Program Support was increased \$9,057 based on collected APS Conference Fees revenue

BUDGET VARIANCES

This report reflects a net agency surplus of \$8.1 million consisting of a \$4.5 million surplus in General Revenue and \$3.4 million surplus in Federal Funds and \$0.2 million surplus in Other Funds. Significant budget variances are identified below.

- Strategy B.1.1 - CPS Direct Delivery Staff has a projected surplus of \$2.6 million consisting of a \$2.5 million surplus in General Revenue and \$0.1 million surplus in Other Funds. This surplus is primarily salary funds because of vacant appropriated FTEs.
- Strategy B.1.2 – CPS Program Support has a projected surplus of \$3.2 million consisting of a \$0.2 million surplus in General Revenue and \$2.9 million surplus in Federal Funds. Most of the Federal Funds surplus is due to unspent Refugee Assistance grant which agency projects to lapse, and Child Abuse and Neglect State grant which will be carried forwarded to the next appropriation year.
- Strategy B.1.7 - Post Adoption Purchased Services has a projected surplus of \$0.5 million in General Revenue. This is primarily due to a transfer of funding in an effort to comply with new federal earmarking requirements related to state savings resulting from the federal de-linking of Title IV-E eligibility requirements. The Federal Government has delineated how states are to utilize 30% of the General Revenue savings.
- Strategy D.1.1 - APS Direct Delivery Staff has a projected surplus of \$0.5 million in General Revenue and \$0.1 million surplus in Federal Funds. This surplus is primarily salary funds because of vacant appropriated FTEs.
- Strategy F.1.5 – Agency - Wide Automated Systems has a projected surplus of \$1.2 million surplus in General Revenue. There are additional projects pending but the agency is projecting a lapse in capital funding.

The following General Revenue variances are projected based on the HHSC August 2015 caseload and expenditure forecast:

- Strategy B.1.3 TWC Foster Day Care has a projected surplus of \$0.1 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 surplus of \$0.4 million.
- Strategy B.1.11 Foster Care Payments has a projected shortfall of \$2.3 million.
- Strategy B.1.12 Adoption Subsidy/PCA Payments has a projected surplus of \$0.3 million.
- Strategy B.1.13 Relative Caregiver Monetary Assistance Payments Care has a projected shortfall of \$0.4 million.

SIGNIFICANT CHANGES FROM PREVIOUS REPORT

Budget adjustments to address critical funding needs requested in July 6, 2015 letter and approved by LBB August 25, 2015 and Governor's Office August 30, 2015 are reflected in this report.

OTHER KEY BUDGET ISSUES

None not addressed above.

CAPITAL BUDGET ISSUES

The agency has carried forward \$2.2 million in unobligated capital budget balances from FY 2014 to FY 2015 to fund the smart-phone refresh capital project.

STATUS OF PENDING TRANSFERS AND AUTHORITY REQUIRING PRIOR APPROVAL

Letter Topic Appropriation Year 2014	HHSC/DFPS Letter Date	Approval/Response Received by September 8, 2015	
		LBB	Governor
Request for Budget Authority to Address Critical Need in Protective Day Care in Fiscal Year 2014	July 6, 2015	August 28, 2015	August 30, 2015

Letter Topic Appropriation Year 2015	HHSC/DFPS Letter Date	Approval/Response Received by September 8, 2015	
		LBB	Governor
Request Use for Budget Authority to Address Critical Need in Foster Care in Fiscal Year 2015	July 6, 2015	August 28, 2015	August 30, 2015

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
Meghan Weller, Governor's Office
Jessica Olson, Lieutenant Governor's Office
Heather Fleming, Speaker's Office

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Shannon Ghangurde, Senate Finance Committee
Stacey Gilliam, Senate Finance Committee
Hunter Thompson, House Appropriations Committee
Kyler Arnold, House Appropriations Committee
Liz Prado, Legislative Budget Board
Shaniqua Johnson, Legislative Budget Board