



## TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

COMMISSIONER  
John J. Specia, Jr.

October 28, 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 August 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 August. In total, the operating budget was decreased by \$4,581,083.

- Article IX, Section 8.02 - Federal Funds/Block Grants (Net Decrease of \$3,900,982):
  - ❖ Block Grants/Capped Titles (Net Decrease of \$3,690,136):
    - Strategy B.1.1 CPS Direct Delivery Staff was reduced by \$459,448 effect a transfer FFY15 Title IV-B, Part 2 Promoting Safe and Stable Families-Caseworker Visits grant award authority between the operating budget and the employee benefits tracking budget to cover FY 2015 benefit expense.
    - Strategy B.1.2 CPS Program Support was decreased by \$2,065,999 to reflect the following:
      - Decrease Refugee and Entrant Assistance State Administered Program federal funds in the amount of \$1,423,897. This surplus was re-budgeted in FY 2016.
      - Decrease FFY 2015 grant year Child Abuse and Neglect State (CAPTA) federal funds in the amount of \$800,000. This surplus grant award authority was re-budgeted in FY 2016.

- Increase FFY 2014 Chafee Foster Care Independence Program federal funds in the amount of \$157,898. This surplus grant award authority was re-budgeted from FY 2014 to FY 2015.
- Strategy C.1.4 Child Abuse Prevention Programs was decreased \$1,320,129 to reflect the re-budget of surplus FFY15 Community-Based Child Abuse Prevention (CBCAP) federal funds from FY 2015 to FY 2016.
- Strategy D.1.1 APS Direct Delivery Staff was increased by \$155,440 to reflect the federal approval of a no-cost extension of the FFY 2013 Elder Abuse Prevention Interventions Program grant from FY 2014 to FY 2015.
- ❖ Entitlement Federal Funds (Net Decrease of \$210,846):
  - Strategy A.1.1 Statewide Intake Services was decreased by \$559
  - Strategy B.1.1 CPS Direct Delivery Staff was increased by \$543,953
  - Strategy B.1.2 CPS Program Staff was decreased by \$3,956
  - Strategy B.1.10 Other CPS Purchased Services was increased by \$4,158
  - Strategy D.1.1 APS Direct Delivery Staff was increased by \$17,873
  - Strategy D.1.2 APS Program Support was decreased by \$12,045
  - Strategy D.1.3 MH and ID Investigations was decreased by \$18,208
  - Strategy E.1.1 Child Care Regulation was increased by \$43,468
  - Strategy F.1.1 Central Administration was decreased by \$41,271
  - Strategy F.1.2 Other Support Services was decreased by \$35,078
  - Strategy F.1.3 Regional Administration was decreased by \$3,590
  - Strategy F.1.4 IT Program Support was decreased by \$81,941
  - Strategy F.1.5 Agency-Wide Automated Systems was decreased by \$623,650
- Article IX, Section 8.03 – Reimbursements and Payments (Net Increase of \$38,234):
  - Strategy B.1.2 CPS Program Support was increased by \$38,234 to reflect the new Domestic Violence Initiative grant awarded to DFPS by the Governor's Office.
- Article IX, Section 14.01 – Appropriation Transfers:
  - \$1,675,000 of General Revenue was transferred into Strategy B.1.1 CPS Direct Delivery Staff from the following strategies to offset anticipated shortfalls due primarily to increases in salary-related expenditures such as termination and overtime pay above planned amounts assumed in the operating budget. Additionally, this strategy was reduced by \$0.4 million as part of the Comptroller reconciliation process for the FY 2015 salary increase.
    - \$175,000 from Strategy A.1.1 Statewide Intake Services
    - \$300,000 from Strategy B.1.2 CPS Program Support
    - \$500,000 from Strategy C.1.1 STAR Program
    - \$700,000 from Strategy C.1.5 Other At-Risk Prevention
  - \$300,000 in General Revenue Funds was transferred from Strategy B.1.7 Post-Adoption Purchased Services to B.1.13 Relative Caregiver Payments to cover a portion of the projected shortfall. Should the November 2015 forecast not indicate lower projected expenditures, an additional transfer will be necessary.
  - \$425,000 in General Revenue Funds was transferred from Strategy C.1.5 Other At-Risk Prevention to B.1.9 Substance Abuse Purchased to cover the existing shortfall and additional projected expense.
  - \$1,700,000 of General Revenue was transferred into Strategy B.1.10 Other CPS Purchased Services from the following strategies to cover the existing shortfall and additional projected expense:

- \$175,000 from Strategy C.1.5 Other At-Risk Prevention
  - \$375,000 from Strategy F.1.1 Central Administration
  - \$350,000 from Strategy F.1.2 Other Support Services
  - \$800,000 from Strategy F.1.4 IT Program Support
  - The surplus of \$24,552 FFY15 Title IV-B, subpart 2, Promoting Safe and Stable Families federal funds was repurposed from Strategy C.1.3 Texas Families Program to Strategy C.1.2 CYD Program to fully utilize the available funding.
  - \$12,500 in General Revenue Funds was transferred from Strategy C.1.5 Other At-Risk Prevention to C.1.6 At-Risk Prevention Program Support to over an anticipated state funds shortfall.
  - \$620,000 in General Revenue Funds was transferred from Strategy F.1.2 Other Support Services to Strategy E.1.1 Child Care Regulation. This transfer was needed to re-align budget from the Criminal Background Check Unit to CCL to match billing processes for criminal background check fees for licensing activities.
  - \$120,000 in General Revenue Funds was transferred from Strategy D.1.2 APS Program Support to D.1.1 APS Direct Delivery Staff to cover the projected strategy shortfall.
- Article IX, Section 6.22 (i) – Amounts Contingent on Collection of EFF (Net Decrease of \$619,812):
    - Strategy B.1.11 Foster Care Payments was decreased \$619,812 to offset the shortfall in the EFF collections.
- Article IX, Section 17.06 – Appropriation for a Salary Increase for General State Employees (Net Decrease of \$556,493 (\$499,646 General Revenue; \$56,847 Federal Funds)):
    - Strategy A.1.1 Statewide Intake Services was decreased by \$19,549
    - Strategy B.1.1 CPS Direct Delivery Staff was decreased by \$398,773
    - Strategy B.1.2 CPS Program Support was decreased by \$28,271
    - Strategy C.1.6 At-Risk Prevention Program was decreased by \$1,310
    - Strategy D.1.1 APS Direct Delivery Staff was decreased by \$36,284
    - Strategy D.1.2 APS Program Support was decreased by \$4,444
    - Strategy D.1.3 MH and ID Investigations was decreased by \$8,312
    - Strategy E.1.1 Child Care Regulation was decreased by \$30,357
    - Strategy F.1.1 Central Administration was decreased by \$14,052
    - Strategy F.1.2 Other Support Services was decreased by \$3,390
    - Strategy F.1.3 Regional Administration was decreased by \$340
    - Strategy F.1.4 IT Program Support was decreased by \$11,411

## BUDGET VARIANCES

This report reflects a net agency surplus of \$5.8 million consisting of a \$4.4 million surplus in General Revenue and \$1.2 million surplus in Federal Funds and \$0.2 million surplus in Other Funds. Significant budget variances are identified below.

- Strategy B.1.2 CPS Program Support has a projected surplus of \$0.5 million consisting of a \$0.1 million surplus in General Revenue and \$0.4 million surplus in Federal Funds. Most of the Federal Funds surplus is due to unspent Children's Justice and Adoption Opportunities grants which will lapse back to the federal government.
- Strategy B.1.8 PAL Purchased Services has projected surplus of \$0.1 million in General Revenue and \$0.8 million surplus in Federal Funds. Any remaining available Title IV-E Chafee Education and Training Vouchers Program grant award authority will re-budgeted to FY 2016.

- Strategy F.1.5 Agency-Wide Automated Systems has a projected surplus of \$4.6 million in General Revenue. The surplus is primarily due to delay in the procuring the contracts and the deliverables cost being lower than planned for the FY 2015. This surplus, with proper approvals, is available to offset remaining DFPS strategy shortfalls.

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 \$2.9 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 \$0.1 million.

#### SIGNIFICANT CHANGES FROM PREVIOUS REPORT

- Strategy B.1.1 CPS Direct Delivery Staff - although vacancies continued, the projected General Revenue surplus was decreased by \$2.3 million to reflect the needs mentioned above in Appropriation Transfers.
- Strategy D.1.1 APS Direct Delivery Staff - the projected General Revenue surplus was decreased \$0.5 million to cover a previously unanticipated shortfall in APS Purchased Emergency Client Services.
- Strategy F.1.5 Agency-Wide Automated Systems - the projected General Revenue surplus was increased by \$3.4 million to reflect the delays mentioned in Budget Variances above.

#### OTHER KEY BUDGET ISSUES

None not addressed above.

#### CAPITAL BUDGET ISSUES

See Budget Variance narrative.

#### STATUS OF PENDING TRANSFERS AND AUTHORITY REQUIRING PRIOR APPROVAL

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

Sincerely,



Tracy Henderson  
Chief Financial Officer

Kara Belew, Drew DeBerry, and Ursula Parks

October 28, 2015

Page 5

cc: Garnet Coleman, State Representative  
Meghan Weller, Governor's Office  
Jessica Olson, Lieutenant Governor's Office  
Heather Fleming, Speaker's Office  
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  
Thomas Brown, Legislative Budget Board