



## TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

COMMISSIONER  
John J. Specia, Jr.

November 11, 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 2016 Monthly Financial Report as of September 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 September. In total, the operating budget was increased by \$14,062,808.

- Article I, Information Listing of Funds Appropriation to the Comptroller of Public Accounts for Social Security and Benefit Replacement Pay, Rider 2 (Increase of \$885,294 (\$798,949 General Revenue; \$86,345 Federal Funds)):
  - Strategy A.1.1 Statewide Intake Services was increased by \$29,379
  - Strategy B.1.1 CPS Direct Delivery Staff was increased by \$503,274
  - Strategy B.1.2 CPS Program Support was increased by \$120,462
  - Strategy C.1.4 Child Abuse Prevention Grants was increased by \$3
  - Strategy C.1.6 At-Risk Prevention Program was increased by \$2,114
  - Strategy D.1.1 APS Direct Delivery Staff was increased by \$79,438
  - Strategy D.1.2 APS Program Support was increased by \$19,026
  - Strategy E.1.1 Child Care Regulation was increased by \$68,970
  - Strategy F.1.1 Central Administration was increased by \$32,027
  - Strategy F.1.2 Other Support Services was increased by \$7,047

- Strategy F.1.3 Regional Administration was increased by \$3,034
- Strategy F.1.4 IT Program Support was increased by \$20,520
- Article II, Rider 4 - Appropriation of Funds from Counties, Cities, and Other Local Sources:
  - Strategy B.1.1 CPS Direct Delivery Staff was increased \$1,792,261 for anticipated receipts for CPS Direct Delivery Staff Local Contribution staff
- Article II, Special Provisions Relative to All Health and Human Services Agencies, Section 10:
  - Strategy F.1.4 IT Program Support was increased \$2,233,476 to budget the following transfers from HHSC which will be reflected in 16-17 Fiscal Size-Up:
    - \$1,220,706 for CAPPS Upgrade and Application Remediation
    - \$1,012,770 for OIG Lease
- Article IX, Section 8.02 – Reimbursements and Payments (Net Decrease of \$1,416,020):
  - Strategy B.1.1 CPS Direct Delivery Staff was increased by \$89,100 for anticipated receipts for Non-County/Other Contribution Staff
  - Strategy B.1.2 CPS Program Support was decreased by \$1,340,224 for the following:
    - Decrease in the amount of \$1,520,308 IAC receipts to reflect discontinuance of Children's Rights and Litigation agreement with HHSC
    - Increase in the amount of \$180,084 IAC receipts to reflect the new Domestic Violence Initiative contract with The Office of the Governor
  - Strategy F.1.2 Other Support Services was decreased by \$164,896 to reflect the discontinuance of interlocal contract for the Harris County adoption records redaction project
- Article IX, Section 13.01 - Federal Funds/Block Grants (Net Decrease of \$4,471,346):
  - ❖ Block Grants/Capped Titles (Net Decrease of \$2,595,880):
    - Strategy B.1.1 CPS Direct Delivery Staff was reduced by \$2,358,805 to reflect the following:
      - Increase in FFY14 Adoption Incentive Payment Program (AIPP) federal funds in the amount of \$372,441 to reflect the estimated amounts based on partial grant award letter (dated 8/11/14).
      - Decrease FFY16 Title IV-B, Part 2 Promoting Safe and Stable Families-Caseworker Visits federal funds in the amount of \$1,118,730 to reflect the authority reported in Child and Family Services Plan (CFS-101, dated 6/30/15)
      - Decrease FFY16 Title IV-B, Part 2 Promoting Safe and Stable Families federal funds in the amount of \$749,018 to reflect the authority reported in Child and Family Services Plan (CFS-101, dated 6/30/15)
      - Decrease FFY16 Title IV-B, Part 1 Child Welfare Services State Grant federal funds in the amount of \$883,065 to reflect the authority reported in Child and Family Services Plan (CFS-101, dated 6/30/15)
      - Increase Chafee Foster Care Independence Program federal funds in the amount of \$19,567 to reflect the authority reported in Child and Family Services Plan (CFS-101, dated 6/30/15)

*Note: The block grants mentioned above will be adjusted further for SFY 2016 when the Administration for Children and Families (ACF) releases final state allotments/grant awards.*
    - Strategy B.1.2 CPS Program Support was decreased by \$140,963 to reflect the following:
      - Increase Refugee and Entrant Assistance State Administered Program federal funds in the amount of \$3,039 to reflect the signed interagency agreement with HHSC.
      - Decrease of Child Abuse and Neglect State (CAPTA) federal funds in the amount of \$442,799 to reflect the authority reported in Child and Family Services Plan (CFS-101, dated 6/30/15)

- Increase Chafee Foster Care Independence Program federal funds in the amount of \$298,797 to reflect the authority reported in Child and Family Services Plan (CFS-101, dated 6/30/15)
  - Strategy B.1.4 Adoption Purchased Services was reduced by \$256,776 to adjust FFY14 Adoption Incentive Payment Program (AIPP) federal funds to reflect the estimated amounts based on partial grant award letter (dated 8/11/14).  
*Note: The block grants mentioned above will be adjusted further for SFY 2016 when the Administration for Children and Families (ACF) releases final state allotments/grant awards.*
  - Strategy B.1.6 PAL Purchased Services was net increased by \$541,110 to reflect the following:
    - Increase Chafee Foster Care Independence Program federal funds in the amount of \$2,804,332 to reflect the authority reported in Child and Family Services Plan (CFS-101, dated 6/30/15)
    - Decrease Title IV-E Chafee Education and Training Vouchers Program federal funds in the amount of \$2,263,222 to reflect the authority reported in Child and Family Services Plan (CFS-101, dated 6/30/15)  
*Note: The block grants mentioned above will be adjusted further for SFY 2016 when the Administration for Children and Families (ACF) releases final state allotments/grant awards.*
  - Strategy B.1.8 Other CPS Purchased Services was reduced by \$1,668,884 to reflect the following:
    - Decrease in FFY14 Adoption Incentive Payment Program (AIPP) federal funds in the amount of \$1,161,606 to reflect the estimated amounts based on partial grant award letter (dated 8/11/14)
    - Decrease Refugee and Entrant Assistance State Administered Program federal funds in the amount of \$507,278 to reflect the signed contract
  - Strategy C.1.4 Child Abuse Prevention Grants was increased \$340,998 to reflect the re-budget of surplus FFY14 Community-Based Child Abuse Prevention (CBCAP) federal funds from SFY 2015 to SFY 2016.
  - Strategy C.1.6 At-Risk Prevention Program was increased \$67,871 to reflect the re-budget of surplus FFY14 Community-Based Child Abuse Prevention (CBCAP) federal funds from SFY 2015 to SFY 2016.
  - Strategy D.1.1 APS Direct Delivery Staff was increased by \$53,792 to reflect the re-budget of surplus FFY13 Elder Abuse Prevention Interventions Program funds from SFY 2014 to SFY 2015.
  - Strategy E.1.1 Child Care Regulation was increased by \$800,000 in Child Care and Development Block Grant federal funds to reflect Inclusion Training and Technical Assistance for Licensed and Registered Childcare Providers contract with TWC
  - Strategy F.1.1 Central Administration was increase by \$6,425 to reflect Chafee Foster Care Independence Program federal funds reported in Child and Family Services Plan (CFS-101, dated 6/30/15)
  - Strategy F.1.2 Other Support Services was increase by \$333 to reflect Chafee Foster Care Independence Program federal funds reported in Child and Family Services Plan (CFS-101, dated 6/30/15)
  - Strategy F.1.3 Regional Administration was increase by \$179 to reflect Chafee Foster Care Independence Program federal funds reported in Child and Family Services Plan (CFS-101, dated 6/30/15)
  - Strategy F.1.4 IT Program Support was increase by \$18,840 to reflect Chafee Foster Care Independence Program federal funds reported in Child and Family Services Plan (CFS-101, dated 6/30/15)
- ❖ Entitlement Federal Funds (Net Decrease of \$1,875,466):
- Strategy A.1.1 Statewide Intake Services was increased by \$5,531
  - Strategy B.1.1 CPS Direct Delivery Staff was increased by \$534,498

- Strategy B.1.2 CPS Program Support was decreased by \$138,754
- Strategy B.1.3 TWC Purchased Day Care Services was decreased by \$324,020
- Strategy B.1.9 Foster Care Payments was decreased by \$2,751,736
- Strategy B.1.10 Adoption Subsidy/PCA Payments was increased by \$1,687,129
- Strategy C.1.5 Other At-Risk Prevention was decreased by \$434
- Strategy D.1.1 APS Direct Delivery Staff was decreased by \$130,878
- Strategy D.1.2 APS Program Support was decreased by \$75,546
- Strategy E.1.1 Child Care Regulation was increased by \$9,507
- Strategy F.1.1 Central Administration was decreased by \$241,052
- Strategy F.1.2 Other Support Services was decreased by \$115,884
- Strategy F.1.3 Regional Administration was decreased by \$19,227
- Strategy F.1.4 IT Program Support was decreased by \$44,251
- Strategy G.1.1 Agency-Wide Automated Systems was decreased by \$270,349
- Article IX, Section 14.01 – Appropriation Transfers:
  - \$997,151 (*\$907,497 General Revenue and \$89,654 Entitlements*) was transferred from Strategy F.1.4 IT Program Support to the following strategies:
    - \$37,246 (*\$36,916 General Revenue, \$330 Entitlements*) to Strategy A.1.1 Statewide Intake Services
    - \$745,711 (*\$27,602 General Revenue, \$54,666 Entitlements*) to B.1.1 CPS Direct Delivery Staff
    - \$42,211 (*\$36,347 General Revenue, \$5,864 Entitlements*) to Strategy B.1.2 CPS Program Support
    - \$165 of General Revenue to Strategy C.1.4 Child Abuse Prevention Grants
    - \$3,349 of General Revenue to Strategy C.1.6 At-Risk Prevention Program
    - \$80,901 (*\$74,694 General Revenue, \$6,207 Entitlements*) to Strategy D.1.1 APS Direct Delivery Staff
    - \$6,562 (*\$6,040 General Revenue, \$522 Entitlements*) to Strategy D.1.2 APS Program Support
    - \$54,515 (*\$51,799 General Revenue, \$2,716 Entitlements*) to Strategy E.1.1 Child Care Regulation
    - \$19,113 (*\$17,319 General Revenue, \$1,794 Entitlements*) to Strategy F.1.1 Central Administration
    - \$6,883 (*\$6,551 General Revenue, \$332 Entitlements*) to Strategy F.1.2 Other Support Services
    - \$495 (*\$447 General Revenue, \$48 Entitlements*) to Strategy F.1.3 Regional Administration
  - \$444,718 (*\$10,979 General Revenue and \$433,739 Other Capped Grants*) was transferred from Strategy B.1.8 Other CPS Purchased Services to Strategy B.1.5 Post-Adoption Purchased Services to cover signed contracts.
  - \$450,898 (*\$407,008 General Revenue and \$43,890 Entitlements*) was transferred from Strategy F.1.3 Regional Administration to the following strategies to accommodate agency organizational changes:
    - \$191,146 (*\$173,199 General Revenue and \$17,947 Entitlements*) to Strategy F.1.1 Central Administration
    - \$259,752 (*\$233,809 General Revenue and \$25,943 Entitlements*) to Strategy F.1.4 IT Program Support
  - \$1,460,620 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.

- Article IX, Section 18.02 – Appropriation for a Salary Increase for General State Employees (Net Increase of \$12,422,572 (\$11,221,147 General Revenue; \$1,201,425 Federal Funds)):
  - Strategy A.1.1 Statewide Intake Services was increased by \$435,114
  - Strategy B.1.1 CPS Direct Delivery Staff was increased by \$8,676,267
  - Strategy B.1.2 CPS Program Support was increased by \$679,136
  - Strategy C.1.4 Child Abuse Prevention Grants by \$2,566
  - Strategy C.1.6 At-Risk Prevention Program was increased by \$40,053
  - Strategy D.1.1 APS Direct Delivery Staff was increased by \$986,420
  - Strategy D.1.2 APS Program Support was increased by \$96,148
  - Strategy E.1.1 Child Care Regulation was increased by \$733,820
  - Strategy F.1.1 Central Administration was increased by \$362,420
  - Strategy F.1.2 Other Support Services was increased by \$130,198
  - Strategy F.1.3 Regional Administration was increased by \$5,674
  - Strategy F.1.4 IT Program Support was increased by \$274,756
- Art IX, Section 18.35 – Contingency for HB 19
  - Strategy C.1.5 Other At-Risk Prevention was increased by \$1,205,964 General Revenue for Mental Health and Preventive Services Programs for Veterans' and Military Families
- Art IX, Section 18.58 – Contingency for SB 206/HB 2433
  - Strategy G.1.1 Agency-Wide Automated Systems was increased by \$1,410,607 General Revenue for CLASS upgrades

## BUDGET VARIANCES

This report reflects a net agency shortfall of \$28.8 million consisting of a \$28.9 million shortfall in General Revenue and \$0.1 million surplus in Other Funds. This Operating Budget assumes that staff-related program activities are fully staffed at the appropriated FTE level using DFPS annualized estimated costs per FTE. As expenditure and staffing trends emerge; projected expenditures will be adjusted accordingly. Significant budget variances are identified below.

- Strategy B.1.1 CPS Direct Delivery Staff has a projected a shortfall of \$10.2 million in General Revenue.
- Strategy B.1.2 CPS Program Support has a projected shortfall of \$0.5 million in General Revenue because of The Stephens Group contract extension, as well as program activities are fully staffed.
- Strategy D.1.1 APS Direct Delivery Staff has a projected surplus of \$0.7 million in General Revenue.
- Strategy D.1.2 APS Program Support has projected surplus of \$0.8 million in General Revenue. The surplus is a result of projected staffing levels.
- Strategy E.1.1 Child Care Regulation has projected surplus of \$1.9 million in consisting of \$1.8 million in General Revenue and \$0.1 of TANF and Other Funds combined.
- Strategy F.1.3 Regional Administration has a projected surplus of \$0.2 million in General Revenue which is primarily salary-related.
- Strategy F.1.4 IT Program Support has a projected shortfall of \$0.6 million in General Revenue which is primarily salary-related.

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

- Strategy B.1.3 TWC Purchased Day Care Services has a projected surplus of \$0.7 million.
- Strategy B.1.09 Foster Care Payments has a projected shortfall of \$19.0 million.

- Strategy B.1.10 Adoption Subsidy/PCA Payments has a projected shortfall of \$2.1 million.
- Strategy B.1.11 Relative Caregiver Monetary Assistance Payments has a projected surplus of \$0.1 million.

#### SIGNIFICANT CHANGES FROM PREVIOUS REPORT

This is the first Monthly Financial Report for FY 2016.

#### OTHER KEY BUDGET ISSUES

None not addressed above.

#### CAPITAL BUDGET ISSUES

#### 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

cc: Garnet Coleman, State Representative  
Allison Billodeau, 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