



TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

COMMISSIONER
John J. Specia, Jr.

December 2, 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 October 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 October. In total, the operating budget was decreased by \$3,736,736.

- Article IX, Section 8.02 – Reimbursements and Payments (Net Decrease of \$36,986):
 - Strategy B.1.2 CPS Program Support was increased by \$5,237 for the following:
 - Increase in the amount of \$5,237 to reflect the re-budget of Domestic Violence Initiative contract from SFY15 to SFY16
 - Strategy D.1.3 APS Purchased Emergency Client Services was increased by \$7,000 to reflect the extension of the Banfield Charitable Trust Award from SFY15 to SFY16
 - The following strategies were adjusted to reflect the estimated contract with Texas Workforce Commission for background checks:
 - Strategy E.1.1 Child Care Regulation was decreased by \$49,268
 - Strategy F.1.2 Other Support Services was increased by \$45

- Article IX, Section 13.01 - Federal Funds/Block Grants (Net Decrease of \$3,699,750):
 - ❖ Block Grants/Capped Titles (Net Increase of \$1,962,341):
 - Strategy B.1.1 CPS Direct Delivery Staff was increased by \$550,835 to reflect the adjustments between the operating budget and the employee benefits tracking budget to cover estimated FY 2016 benefit expense for the following grants:
 - \$739,320 increase in estimated FFY16 Title IV-B, Part 2 Promoting Safe and Stable Families program
 - \$175,464 decrease in estimated FFY16 Title IV-B, Part 2 Promoting Safe and Stable Families-Caseworker Visits program
 - \$560,325 decrease in estimated FFY16 Adoption Incentive Payment Program (AIPP) federal funds
 - \$547,304 increase in estimated FFY16 Title IV-B, Part 1 Child Welfare Services State Grant federal funds
 - Strategy B.1.2 CPS Program Support was increased by \$1,269,716 to reflect the following:
 - Increase Education Training Voucher (ETV) to reflect re-budget estimated FFY15 ETV grant SFY15 to SFY16 in the amount of \$103,454
 - Decrease Education Training Voucher (ETV) to reflect re-budget estimated FFY16 ETV grant SFY16 to SFY17 in the amount of \$23,081
 - Increase Children's Justice Act Program Grant (FFY 2016), signed 10/16/15 in the amount of \$200,000
 - Decrease estimated Independent Living Program (FFY 2016) federal funds in the amount of \$142,476 to reflect re-budget to SFY17
 - Increase of Child Abuse and Neglect State (CAPTA) FFY16 estimated federal funds in the amount of \$1,131,819 to reflect the re-budget from SFY17 to SFY16
 - Strategy B.1.8 Other CPS Purchased Services was increased by \$126,474 to reflect the re-budget of Refugee and Entrant Assistance State Administered Program from SFY17 to SFY16
 - Strategy D.1.1 APS Direct Delivery Staff was increased by \$15,316 to reflect the re-budget of surplus FFY13 Elder Abuse Prevention Interventions Program funds from SFY 2015 to SFY 2016.
 - ❖ Entitlement Federal Funds (Net Decrease of \$5,662,091):
 - Strategy B.1.3 TWC Purchased Day Care Services was decreased by \$259,117
 - Strategy B.1.9 Foster Care Payments was decreased by \$4,107,956
 - Strategy B.1.10 Adoption Subsidy/PCA Payments was decreased by \$1,295,018
 - Strategy D.1.1 APS Direct Delivery Staff was decreased by \$10,304
 - Strategy D.1.2 APS Program Support was increased by \$10,304
- Article IX, Section 14.01 – Appropriation Transfers:
 - \$328,373 in General Revenue Funds was transferred from Strategy F.1.2 Other Support Services to the following strategies to accommodate agency organizational changes :
 - \$232,828 to Strategy F.1.4 IT Program Support
 - \$95,545 to Strategy F.1.1 Central Administration
 - \$50,560 (\$40,256 General Revenue, \$10,304 Entitlements) was transferred from Strategy D.1.2 APS Program Support to Strategy D.1.1 APS Direct Delivery Staff

BUDGET VARIANCES

This report reflects a net agency shortfall of \$26.8 million consisting of a \$27.0 million shortfall in General Revenue and \$0.2 million surplus in capped grants and TANF. 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 \$9.6 million in General Revenue.
- Strategy B.1.2 CPS Program Support has a projected surplus of \$0.5 million in General Revenue.
- Strategy D.1.1 APS Direct Delivery Staff has a projected surplus of \$0.8 million in General Revenue.
- Strategy D.1.2 APS Program Support has projected surplus of \$0.8 million in General Revenue..
- Strategy E.1.1 Child Care Regulation has projected surplus of \$1.8 in General Revenue.
- Strategy F.1.3 Regional Administration has a projected surplus of \$0.2 million in General Revenue.

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

- Strategy B.1.3 TWC Purchased Day Care Services has a projected surplus of \$0.8 million.
- Strategy B.1.9 Foster Care Payments has a projected shortfall of \$19.3 million.
- Strategy B.1.10 Adoption Subsidy/PCA Payments has a projected shortfall of \$1.3 million.
- Strategy B.1.11 Relative Caregiver Monetary Assistance Payments has a projected shortfall of \$0.3 million.

SIGNIFICANT CHANGES FROM PREVIOUS REPORT

There are no significant changes at this time.

OTHER KEY BUDGET ISSUES

None not addressed above.

CAPITAL BUDGET ISSUES

No issues submitted at this time.

STATUS OF PENDING TRANSFERS AND AUTHORITY REQUIRING PRIOR APPROVAL

None submitted at this time.

Kara Belew, Drew DeBerry, and Ursula Parks

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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 Billoreau, 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