



## TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

COMMISSIONER  
John J. Specia, Jr.

February 11, 2016

Mr. Ky Ash, 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 Mr. Ash, Mr. DeBerry and Ms. Parks:

Enclosed is the agency's FY 2016 Monthly Financial Report as of December, 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 December. In total, the operating budget was decreased by \$923,881.

- Article II, Rider 4, Appropriation of Funds from Counties, Cities, and Other Local Sources:
  - Strategy F.1.4 IT Program Support was increased \$800,000 to reflect the funding for the National Council on Crime and Delinquency professional services contract for services related to validation of the Structured Decision-Making tool in IMPACT.
- Article IX, Section 13.01 - Federal Funds/Block Grants (Net Decrease of \$1,723,881):
  - ❖ Block Grants/Capped Titles (Net Increase of \$33,162):
    - Strategy B.1.2 CPS Program Support was increased by \$33,162 to reflect the re-budget of the FFY 2015 Children's Justice Grants to States program surplus from SFY 2015 to SFY 2016

❖ Entitlement Federal Funds (Net Decrease of \$1,757,043):

- Strategy A.1.1 Statewide Intake Services was decreased by \$298
- Strategy B.1.1 CPS Direct Delivery Staff was decreased by \$1,569,367
- Strategy B.1.2 CPS Program Support was increased by \$187,757
- Strategy D.1.1 APS Direct Delivery Staff was increased by \$45,118
- Strategy D.1.2 APS Program Support was increased by \$7,865
- Strategy E.1.1 Child Care Regulation was decreased by \$261,332
- Strategy F.1.1 Central Administration was decreased by \$109,796
- Strategy F.1.2 Other Support Services was decreased by \$50,179
- Strategy F.1.3 Regional Administration was increased by \$6,232
- Strategy F.1.4 IT Program Support was decreased by \$13,043

• Article IX, Section 14.01 – Appropriation Transfers:

- \$20,000 in General Revenue Funds was transferred from Strategy F.1.1 Central Administration to B.1.2 CPS Program Support to fund costs associated with the Children's Rights litigation appeal.

## BUDGET VARIANCES

This report reflects a net agency shortfall of \$14.5 million consisting of a \$16.6 million shortfall in General Revenue, \$0.5 million surplus in Capped Grants and TANF, and \$1.6 million surplus in Other funds.

Previous reports assumed that staff-related program activities were fully staffed at the appropriated FTE level using DFPS annualized estimated costs per FTE. This current report reflects projected expenditures based on unfilled FTE trends. Significant budget variances are identified below.

- Strategy B.1.1 CPS Direct Delivery Staff has a projected surplus of \$3.3 million in consisting of \$1.8 million in General Revenue and \$1.5 million of Other Funds. Because vacant FTE cap positions continue, it is projected that the strategy will have sufficient surplus to offset the previously reported shortfall.
- Strategy B.1.2 CPS Program Support has a projected surplus of \$0.4 million in General Revenue and \$0.1 million in Capped Grants and Other funds combined.
- Strategy B.1.4 Adoption Purchased Services has a projected shortfall of \$1.8 million in General Revenue. It is anticipated that this shortfall can be reduced, if not fully mitigated, by increasing the strategy utilizing the Adoption and Legal Guardianship Incentive Bonus. This adjustment will be reflected in a future report.
- Strategy B.1.7 Substance Abuse Purchased Services has a projected shortfall of \$1.1 million in General Revenue. DFPS has staffed a focus group to research regional drug-testing processes and protocols in an effort to reduce these costs. Additionally, direct delivery staff are receiving targeted substance abuse training so that caseworkers authorize the most appropriate type of drug test to achieve casework objectives.
- Strategy B.1.8 Other CPS Purchased Services has a projected shortfall of \$1.1 million in General Revenue based on current expenditure trends.
- Strategy C.1.5 Other At-Risk Prevention has a projected surplus of \$1.3 million in General Revenue. This surplus is primarily due to delays in new contract start-up.
- Strategy D.1.1 APS Direct Delivery Staff has a projected surplus of \$0.6 million in General Revenue. The surplus is primarily due to vacant FTEs.
- Strategy E.1.1 Child Care Regulation has projected surplus of \$2.5 million consisting of \$2.4 million in General Revenue \$0.1 million in TANF and Other funds combined. The surplus is

primarily due to vacant FTEs. These surplus funds may be utilized to offset shortfalls elsewhere in the agency.

- Strategy F.1.1 Central Administration has a projected surplus of \$0.8 million in General Revenue. This surplus is due to vacant FTEs.

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 not addressed above.

#### **OTHER KEY BUDGET ISSUES**

None not addressed above.


#### **CAPITAL BUDGET ISSUES**

None.

#### **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