



TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

COMMISSIONER
John J. Specia, Jr.

December 3, 2012

Mr. Jonathan Hurst, Director
Governor's Office of Budget, Planning and Policy
1100 San Jacinto, 4th Floor
Austin, TX 78701

Ms. Ursula Parks, Acting Director
Legislative Budget Board
1501 North Congress Avenue, 5th Floor
Austin, TX 78701

Dear Mr. Hurst and Ms. Parks:

Enclosed is the agency's FY 2013 Monthly Financial Report as of October 2012. 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 increased by \$3,308,537.

- Adjustments in federal entitlement funds were made in the following strategies for an anticipated net increase of \$417,523 (Art. IX, Sec. 8.02, Federal Funds/Block Grants):
 - Strategy B.1.1 CPS Direct Delivery Staff was increased \$129,936
 - Strategy B.1.12 Adoption Subsidy Payments was increased \$50,469
 - Strategy F.1.5 Agency-Wide Automated Systems was increased \$237,118

- The following adjustments were made for a net increase of \$2,891,014 under Art IX, Sec 14.03 (j), Capital Budget UB (2012-13 GAA):
 - \$1,006,958 of unexpended General Revenue was transferred from FY12 to FY13 in strategy B.1.1
 - \$130,426 of unexpended General Revenue was transferred from FY12 to FY13 in strategy E.1.1
 - \$1,536,248 of unexpended General Revenue and \$217,382 of TANF was transferred from FY12 to FY13 in strategy F.1.5 for a net increase of \$1,753,630

BUDGET VARIANCES

This report reflects an agency shortfall of \$0.2 million that consists of a \$0.1 million surplus in General Revenue, a \$2.4 million surplus in TANF, and a \$2.7 million shortfall in Federal Entitlements.

Strategy B.1.10 Other CPS Purchased Services has a projected surplus of \$1.6 million in TANF. It is planned to use this surplus to cover shortfalls elsewhere within the agency.

A shortfall of \$3.5 million, consisting of \$0.8 million General Revenue and \$2.7 million Federal Entitlements, is projected for the CPS day care strategies based on the HHSC November 2012 forecasts and expenditure trends.

- Strategy B.1.3 TWC Foster Day Care has a projected net shortfall of \$4.3 million that consists of \$1.6 million shortfall in General Revenue and \$2.7 million shortfall in Federal Entitlements.
- Strategy B.1.4 TWC Relative Day Care has a projected shortfall of \$0.4 million in General Revenue.
- Strategy B.1.5 TWC Protective Day Care has a projected surplus of \$1.2 million that consists of General Revenue.

A surplus of \$1.7 million, consisting of \$1.0 million in General Revenue and \$0.7 million in TANF, is projected for the following strategies based on the HHSC November 2012 caseload update and the appropriated budget.

- Strategy B.1.11 Foster Care Payments has a projected surplus of \$4.4 million that consists of \$3.7 million General Revenue and \$0.7 million TANF.
- Strategy B.1.12 Adoption Subsidy Payments has a projected surplus of \$0.1 million in General Revenue.
- Strategy B.1.13 Relative Caregiver Payments has a projected shortfall of \$2.8 million in General Revenue.

SIGNIFICANT CHANGES FROM PREVIOUS REPORT

There are no significant changes from the previous report.

OTHER KEY BUDGET ISSUES

Until trends can be established, projected expenditures are assumed to equal the operating budget except for Foster Care Payment, Adoption Subsidies/PCA Payments, Relative Caregiver Monetary Assistance, Foster Care Day Care, Relative Day Care, Protective Day Care and CPS Other Purchased Services.

CAPITAL BUDGET ISSUES

As mentioned previously, this report reflects capital budget carryforward from SFY 2012 to SFY 2013 of unexpended balances.

Jonathan Hurst and Ursula Parks

December 3, 2012

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

Sincerely,

A handwritten signature in black ink that reads "Cindy Brown". The signature is written in a cursive, flowing style.

Cindy Brown
Chief Financial Officer

cc: Garnet Coleman, State Representative
Andria Franco, Governor's Office
Jamie Dudensing, Lieutenant Governor's Office
Julia Rathgeber, Lieutenant Governor's Office
Jennifer Deegan, Speaker's Office
Sarah Hicks, Senate Finance Committee
Kara Crawford, Senate Finance Committee
Keith Yawn, House Appropriations Committee
Nelda Hunter, House Appropriations Committee
Melitta Berger, Legislative Budget Board
Shaniqua Johnson, Legislative Budget Board