



TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

COMMISSIONER
John J. Specia, Jr.

June 5, 2013

Ms. Kate McGrath, 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. McGrath and Ms. Parks:

Enclosed is the agency's FY 2013 Monthly Financial Report as of April 2013. 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 April. In total, the operating budget was increased by \$438,695.

- The following adjustments were made for changes in block grants or capped federal funds for a net increase of \$280,277 under Art. IX, Sec. 8.02, Federal Funds/Block Grants:
 - Strategy B.1.2 CPS Program Support was increased by \$1,506,245
 - ⇒ Title IV-E Chafee Education and Training Vouchers Program ETV was increased \$121,288 to reflect the re-budget of lapsing FFY 2012 grant award from SFY 2012 to SFY 2013
 - ⇒ Child Abuse and Neglect State Grant funds were increased in the amount of \$1,384,957 to reflect the re-budget of lapsing grant award from SFY 2012 to SFY 2013
 - Strategy B.1.8 PAL Purchased Services was decreased \$1,225,968 to reflect the re-budget of federal grant Chafee Foster Care Independence Program from SFY 2013 to SFY 2014
- The following adjustment was made in accordance with Art IX, 14.03(i)(2)(A)(ii), Limitation on Expenditures - Capital Budget:
 - \$121,342 of General Revenue was transferred from F.1.5 Agency-Wide Automated Systems, Capital Project Item 9, DPS Web Services for CLASS, to B.1.1 CPS Direct Delivery Staff,

Capital Project Item 2, IMPACT Operational Enhancements to prevent a projected year end shortfall in the capital budget item. In addition to the transfer of General Revenue funds, a federal entitlement increase in the amount of \$15,658 was added to Capital Project Item 2, IMPACT Operational Enhancements (see B.1.1 below).

- Adjustments in anticipated federal entitlement funds were made in the following strategies for a net increase of \$158,418 (Art. IX, Sec. 8.02, Federal Funds/Block Grants):
- Strategy A.1.1 Statewide Intake Services was increased \$879
 - Strategy B.1.1 CPS Direct Delivery Staff was increased \$124,522
 - Strategy B.1.2 CPS Program Support was increased \$33,410
 - Strategy B.1.10 Other CPS Purchased Services was increased \$2,989
 - Strategy D.1.1 APS Direct Delivery Staff was increased \$5,288
 - Strategy D.1.2 APS Program Support was increased \$1,310
 - Strategy D.1.3 MH and MR Investigations was decreased \$298
 - Strategy E.1.1 Child Care Regulation was increased \$1,545
 - Strategy F.1.1 Central Administration was decreased \$3,166
 - Strategy F.1.2 Other Support Services was decreased \$251
 - Strategy F.1.3 Regional Administration was decreased \$1,685
 - Strategy F.1.4 IT Program Support was decreased \$6,125

BUDGET VARIANCES

This report reflects a net agency surplus of \$22.0 million that consists of a \$17.2 million surplus in General Revenue, a \$0.8 million surplus in TANF, a \$3.8 million surplus in other federal capped grants, and a \$0.2 million surplus in other funds.

Strategy B.1.2 CPS Program Support has a projected surplus of \$2.4 million consisting of \$0.5 million General Revenue and \$1.9 million in other federal capped grants. The surplus federal capped grant funds are provided for a certain purpose and therefore cannot be transferred to other strategies where additional funds are needed.

Strategy B.1.4 TWC Relative Day Care has a projected surplus of \$1.1 million General Revenue, based on the HHSC April 2013 forecasted caseload update. These funds are available to cover needs in other areas of the agency's budget.

Strategy B.1.5 TWC Protective Day Care has a projected shortfall of \$2.8 million General Revenue based on the HHSC April 2013 forecasted caseload update. This shortfall will be covered by surplus funds in other strategies.

Strategy B.1.10 Other CPS Purchased Services has a projected surplus of \$10.6 million consisting of \$0.6 million in General Revenue, \$7.5 million in TANF, and \$2.5 million in federal capped grants. The agency is considering reducing the budget in this strategy to help implement the federal sequestration spending cuts. Most of the remaining surplus funds are not available to cover needs in other areas of the agency's budget due to the strategy transfer limit of 20 percent.

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Strategy B.1.11 Foster Care Payments has a projected surplus of \$3.6 million General Revenue based on the HHSC April 2013 forecasted caseload update. In accordance with HB 1025, the supplemental appropriation bill for FY 2013, \$2,365,481 General Revenue funds will be reduced prior to the end of the fiscal year.

Strategy C.1.1 STAR Program has a projected surplus of \$1.1 million in General Revenue due to contractors not fully utilizing their contracted budgets. These funds are available to cover needs in other areas of the agency's budget.

Strategy D.1.1 APS Direct Delivery Staff has a projected surplus of \$2.7 million consisting of \$0.8 million General Revenue and \$1.9 million Title XX, Social Services Block Grant, based on vacancy rates and expenditure trends. The agency is considering reducing the budget in this strategy to help implement the federal sequestration spending cuts.

SIGNIFICANT CHANGES FROM PREVIOUS REPORT

There are no significant changes for this month.

OTHER KEY BUDGET ISSUES

There are no other key budget issues.

CAPITAL BUDGET ISSUES

No significant variances are projected at this time.

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

Sincerely,



Cindy Brown
Chief Financial Officer

cc: Garnet Coleman, State Representative
Dianna Velasquez, 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
Keith Yawn, House Appropriations Committee
Heather Fleming, House Appropriations Committee
Melitta Berger, Legislative Budget Board
Shaniqua Johnson, Legislative Budget Board