



## TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

COMMISSIONER  
John J. Specia, Jr.

July 8, 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 May 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 decreased by \$2,238,802.

- The following adjustment was made for changes in block grants or capped federal funds for a net decrease of \$2,660 under Art. IX, Sec. 8.02, Federal Funds/Block Grants:
  - Strategy C.1.4 Child Abuse Prevention Grants was decreased by \$2,660 to reflect the re-budget of Community-Based Child Abuse Prevention Grants from SFY 2013 to SFY 2014
- The following adjustment was made in accordance with Art IX, 14.03(i), Limitation on Expenditures - Capital Budget:
  - Within Strategy F.1.5 Agency-Wide Automated Systems, \$24,180 of General Revenue and \$3,121 of other federal funds for a net total of \$27,301 was transferred from Project 5: Data Center Consolidation to Project 8: DCS Transformation Staff Augmentation. This capital budget transfer does not exceed the 25% transfer limit.
- The following adjustment was made for a net increase of \$2,660 appropriated receipts in accordance with Art IX, Sec 8.08, Conference Fees:

- Strategy C.1.4 Child Abuse Prevention Grants was increased \$2,660 to reflect the increase of CBCAP Conference Fees revenue received above the amounts assumed in the current operating budget
  
- General Revenue was reduced by \$2,365,481 in Strategy B.1.11 Foster Care Payments in accordance with the 83<sup>rd</sup> Legislative Session, House Bill 1025, Section 4
  
- Adjustments in anticipated federal entitlement funds were made in the following strategies for a net increase of \$126,679 (Art. IX, Sec. 8.02, Federal Funds/Block Grants):
  - Strategy A.1.1 Statewide Intake Services was increased \$220
  - Strategy B.1.1 CPS Direct Delivery Staff was increased \$152,756
  - Strategy B.1.2 CPS Program Support was decreased \$4,181
  - Strategy D.1.1 APS Direct Delivery Staff was decreased \$15,465
  - Strategy D.1.2 APS Program Support was decreased \$2,072
  - Strategy D.1.3 MH and MR Investigations was decreased \$715
  - Strategy E.1.1 Child Care Regulation was decreased \$713
  - Strategy F.1.1 Central Administration was decreased \$4,292
  - Strategy F.1.2 Other Support Services was increased \$135
  - Strategy F.1.3 Regional Administration was increased \$1,069
  - Strategy F.1.4 IT Program Support was decreased \$63

## BUDGET VARIANCES

This report reflects a net agency surplus of \$18.5 million that consists of a \$14.3 million surplus in General Revenue, a \$0.8 million surplus in TANF, a \$2.9 million surplus in other federal capped grants, and a \$0.5 million surplus in other funds.

Strategy B.1.1 CPS Direct Delivery Staff has a projected shortfall of a \$1.2 million consisting of a surplus of \$1.5 General Revenue, \$0.8 million TANF ECF Funds, \$0.3 million other funds and a shortfall of \$3.8 million federal capped grants. Although this projected shortfall is calculated assuming a worst-case scenario that all budgeted positions will be filled for the remainder of the fiscal year, given current vacancy rates, this shortfall can be covered.

Strategy B.1.2 CPS Program Support has a projected surplus of \$1.7 million consisting of \$0.5 million General Revenue, \$1.0 million other federal capped grants and \$0.2 million other funds. 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 consisting of \$0.5 General Revenue and \$0.6 million CCDF grant 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 \$8.1 million in General Revenue and \$2.5 million in federal capped grants. The agency is planning to reduce the budget in this strategy to help implement the federal sequestration spending cuts. The remaining balances are needed to cover projected expenditures in other strategies.

Strategy B.1.11 Foster Care Payments has a projected surplus of \$1.2 million General Revenue based on the HHSC April 2013 forecasted caseload update which has been offset by the appropriation reduction as authorized by the passage of HB 1025, the supplemental appropriation bill for FY 2013.

Strategy C.1.1 STAR Program has a projected surplus of \$1.3 million consisting of \$1.2 million in General Revenue and \$0.1 million federal capped grants 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 \$3.0 million consisting of \$1.1 million General Revenue and \$1.9 million Title XX Social Services Block Grant, based on vacancy rates and expenditure trends. The agency is planning to reduce 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

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Heather Fleming, House Appropriations Committee

Melitta Berger, Legislative Budget Board

Shaniqua Johnson, Legislative Budget Board