



Texas Department of Family and Protective Services

Commissioner
Jaime Masters, MS, MFT

October 24, 2022

Ms. Sarah Hicks, Director of Policy and Budget
Governor's Office of Budget, Planning and Policy
1100 San Jacinto, 4th Floor
Austin, TX 78701

Mr. Jerry McGinty, Director of Legislative Budget Board
Legislative Budget Board
1501 North Congress Avenue, 5th Floor
Austin, TX 78701

Dear Ms. Hicks and Mr. McGinty:

Enclosed is the agency's FY 2022 Monthly Financial Report as of August 2022. 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.

Schedules are updated to meet the reporting requirements in Rider 6, Other Reporting Requirements. A.1.1, Statewide Intake Services, and D.1.1, APS Direct Delivery Staff, are added to Schedule 11, which provides 5-year detail of actual and projected expenditure information by Object of Expense and Method of Finance. Also, in accordance with Rider 6, Other Reporting Requirements, Statewide Intake performance measures are included in Schedule 9, Select Performance Measures. Revenue for Object Code 3770, Administrative Penalties, is included in the Revenue Schedule for Appropriated Receipts (0666) to meet the requirements for Rider 30, Contractor Penalties and Incentives.

BUDGET ADJUSTMENTS

The budget adjustments listed below apply to the appropriation year 2022 as of the end of August 2022. Adjustments to Department of Family and Protective Services (DFPS) appropriation pattern as detailed in the Conference Committee version of S.B.1, 87th Legislature, Regular Session are described below:

- A. This adjustment reflects supplemental funding for Foster Care Capacity Improvement appropriated under HB 5, 87th Leg, Second Called Session, 2021, Sec.11.52.

B. This adjustment reflects changes in estimated federal entitlement funds (gains or losses) pursuant to Art IX, Sec 13.01, Federal Funds/Block Grants Fed Entitlements. Total amounts by CFDA are listed below.

93.090.050-Title IV-E Guardianship Assistance - Administration (\$152,942)
93.090.060-Title IV-E Guardianship Assistance – FMAP \$708,014
93.658.050-Title IV-E Foster Care – Administration (\$3,617,492)
93.658.060-Title IV-E Foster Care – FMAP \$8,675,680
93.658.075-Title IV-E Foster Care-Training-75% \$1,363,145
93.659.050-Title IV-E Adoption Assistance - Administration \$386,668
93.659.060-Title IV-E Adoption Assistance – FMAP \$14,242,595
93.659.075-Title IV-E Adoption Assistance-Training-75% \$1,764
93.778.003-Medical Assistance Program 50% \$1,925,948

C. Pursuant to Art IX, Sec 13.01, Federal Funds/Block Grants, adjustments have been made to align federal funds/block grants with award amounts and re-budget federal funds/block grants between FY21 and FY22. Total amounts by CFDA are listed below.

21.019.119 – Coronavirus Relief Fund \$55,316,898
93.556.001 – Title IV-B, Part 2 \$1,167,130
93.556.003 – Title IV-B, Part 2 – Kinship Navigator \$1,771,892
93.556.004 – Title IV-B, Part 2 – NEICE \$296,212
93.556.005 – Title IV-B, Part 2 – FFTA \$1,853,884
93.556.119 – Title IV-B, Part 2 – Coronavirus \$5,369,214
93.558.119 – TANF PEAFF \$13,285,000
93.590.000 – Community-Based Child Abuse Prevention Grants - \$249,606
93.590.119 – CBCAP, Coronavirus \$5,884,261
93.599.000 – Title IV-E ETV \$7,178
93.559.119 – Title IV-E ETV Coronavirus \$2,000,000
93.643.000 – Children’s Justice Grants to State \$9,684
93.669.000 – Child Abuse and Neglect State Grants \$2,013,557
93.669.119 – Child Abuse and Neglect State Grants, Coronavirus \$2,232,832
93.674.000 – Chafee Foster Care Independence Program (\$1,192,740)
93.674.119 – Chafee Foster Care Independence Program, Coronavirus \$11,572,153
93.747.000 – Elder Abuse Prevention Program \$366,574
93.747.119 – Elder Abuse Prevention Program, Coronavirus \$10,734,010
93.870.000 – Home Visiting Grant – Formula \$1,694,687
93.870.119 – Home Visiting Grant, Coronavirus \$2,619,173

D. This adjustment reflects changes in estimated interagency contracts pursuant to Art IX, Sec 8.02, Reimbursements and Payments.

G. This adjustment reflects changes in estimated gift revenue collected pursuant to Art IX, Sec 8.01, Acceptance of Gifts of Money.

- H. This adjustment reflects transfers between appropriations within 20 percent limitation to cover projected expense pursuant to Art IX, Sec 14.01(a), Appropriation Transfers (2022-23 GAA).
- I. This adjustment reflects CBC Transition Strategy Transfer pursuant to Article IX, Sec. 18.65. Contingency for Senate Bill (2022-23 GAA).
- J. This adjustment reflects additional budget appropriated under Article II, Special Provision Related to All Health and Human Services Agencies, Sec. 26 (2022-23 GAA).
- K. This adjustment reflects additional budget appropriated under Article IX, Sec. 17.29 Family Finding Collaboration Funding (2022-2023 GAA).
- M. Pursuant to Article II, Rider 30, Contractor Penalties and Incentives (2022-23 GAA), this adjustment reflects the estimated revenue to be utilized for awarding incentives to contractors who exceed contractually specified performance outcomes.
- N. Pursuant to Article II, Special Provisions Relating to All Health and Human Services Agencies, Sec 9 (2022-23 GAA), this adjustment reflects the transfer between Health and Human Services and DFPS related to system support services, (letter dated 4/1/2022, HHSC-2022-N-692).
- O. Pursuant to Art IX, Sec 14.01 (d)(1) Appropriation Transfers, this adjustment reflects transfers from one appropriation item to another appropriation item within the same Indirect Administrative goal without limitation as to the amount of such a transfer.

Q. Pursuant to Art IX, Sec.14.04, Disaster Related Transfer Authority, adjustments have been made to align federal funds/block grants with award amounts. Note, a legal cite correction is recorded in this report, reallocating these adjustments to Legal Note C, Art IX, Sec. 13.01, Federal Funds/Block Grants

93.090.060 - Title IV-E Guardianship Assistance – 6.2% FMAP – \$0

93.556.119 – Title IV-B, Part 2 CRRSA Coronavirus – \$0

93.558.119 - TANF Pandemic Emergency Assistance –\$0

93.590.119 – CBCAP – HR 1319 Coronavirus \$0

93.599.119 - Title IV-E ETV HR 133 Coronavirus \$0

93.658.060 - Title IV-E Foster Care – 6.2% FMAP – \$0

93.659.060 - Title IV-E Adoption Assistance – 6.2% FMAP – \$0

93.669.119 – Child Abuse and Neglect State Grants HR 1319 Coronavirus \$0

93.674.119-Chafee Foster Care Independence Program, Coronavirus \$0

93.747.119 – Elder Abuse PIP HR 133 Coronavirus \$0

93.870.119 - Home Visiting Grant HR 133 Coronavirus \$0

R. This adjustment reflects budget increase for funding appropriated under CFDA 21.019 (CRF) and associated General Revenue reduction as prescribed under Art IX, Sec 17.48, Additional Reductions to Appropriations made under other Articles (2022-23 GAA).

T. Pursuant to Art II, Rider 9, Appropriation Transfer Between Fiscal Years, this adjustment reflects a carry back of General Revenue funds from fiscal year 2023 to fiscal year 2022 in Strategy B.1.9, Foster Care Payments. (DFPS-2022-A-0004)

V. These adjustments reflect Capital carry forward of funding appropriated by the 87th Legislature, Regular Session House Bill 2, Sections 35(a) (5), 35(d) (4).

U. Pursuant to Art II, Rider 7, Limitation of Expenditures for Texas Workforce Commission (TWC) Contracted Daycare, this adjustment transfers General Revenue to Strategy B.1.7, Substance Abuse Purchased Services. (DFPS-2022-A-0004)

W. Pursuant to Art II, Rider 10, Limitation on Transfers: CPS and APS Direct Delivery Staff, the adjustment transfers General Revenue from Strategy B.1.9, Foster Care payments and B.1.10, Adoption/PCA Payments to B.1.1, CPS Direct Delivery Staff. The adjustment also reflects the transfer of General Revenue from D.1.1, APS Direct Delivery Staff to D.1.2, APS Program Support and D.1.3, APS Purchased Emergency Client Services. (DFPS-2022-A-0004)

X. Pursuant to Art II, Rider 31, Purchased Client Services Reporting and Limitations, this adjustment reflects the transfer of General Revenue into Strategy B.1.17, Substance Abuse Purchased Services. (DFPS-2022-A-0004)

Y. Pursuant to Art. IX, Sec. 14.05 Unexpended Balance Authority Between Fiscal Years within the Same Biennium, this adjustment reflects the carry forward of General Revenue in Strategy B.1.1, CPS Direct Delivery from fiscal year 2022 to fiscal year 2023. (DFPS-2022-A-0005)

Z. Pursuant to Art. II, Rider 27, Limitations: Community Based Care Payments, this adjustment reflects the realignment of appropriations within the CPS Direct Delivery Staff from DFPS legacy staffing to CBC programs. (DFPS-2022-A0005)

AB. Pursuant to Art. II, Rider 5, Limitation on Transfers: Foster Care, Adoption Subsidy, Permanency Care Assistance and Relative Caregiver Payments, this adjustment reflects an transfer of General Revenue from B.1.9, Foster Care Payments and B.1.10, Adoption/PCA Payments to B.1.1, CPS Direct Delivery Staffing. (DFPS-2022-A-0004)

BUDGET VARIANCES

Schedules 1, 4, and 5 of this report reflect the agency's current projections for program expenditures, the 2024-25 LAR forecast for entitlement programs (Foster Care and Adoption Subsidy/PCA), Contracted Day Care services, and the Relative Other Designated Caregiver program as well as an entitlement budget adjustment for the enhanced FMAP. Projections for forecasted programs have been further adjusted to reflect anticipated general revenue savings from the enhanced FMAP rates approved through the CARES Act through the end of the calendar year.

The agency has also increased projections to account for federal funds received under HR 748: Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136) and HR 133: Consolidated Appropriations Act, 2021 (Public Law 116-260).

This report reflects an agency surplus of \$92.4 million all funds consisting of \$20.8 million General Revenue and \$71.6 million in Federal Funds.

- Appropriations that are anticipated to result in lapsed budget authority are expressed as a positive variance:
 - 0758 – GR Medicaid Match
 - 8008 – GR Title IV-E – FMAP
 - 93.558 – Temporary Assistance to Needy Families (TANF)
 - 93.575 – Child Care and Development Block Grant
 - 93.090.050 - Title IV-E Guardianship Assistance – Administration
 - 93.090.060 – Title IV-E Guardianship Assistance – FMAP
 - 93.658.050 – Title IV-E Foster Care – Administration
 - 93.658.060 – Title IV-E Foster Care - FMAP
 - 93.659.050 – Title IV-E Adoption Assistance – Administration

- Appropriations for which expense is projected to exceed the adjusted budget are reflected as a negative variance:
 - 0001 – General Revenue
 - 93.659.060 – Title IV-E Adoption Assistance – FMAP

The projected general revenue variances are summarized as follows:

- Entitlement Programs - \$14.9 million lapse
- Non-Entitlement Programs - \$5.9 million lapse

SIGNIFICANT CHANGES FROM PREVIOUS REPORT

This is the twelfth Monthly Financial Report for FY 2022. The report reflects the LAR Forecast for the entitlement programs, a realignment to correct the legal cites for Coronavirus-related

federal funds, and adjustments related to approved requests to exceed authority (DFPS-2022-A-0004 and DFPS-2022-A-0005).

OTHER KEY BUDGET ISSUES

This month's report reflects the LAR forecast for entitlement programs (Foster Care and Adoption Subsidy/PCA), Contracted Day Care services, and Relative Other Designated Caregiver program. The forecast includes updating the end date for enhanced FMAP rates and incorporates changes in expense type for the Foster Care Payment strategy.

Additional funding appropriated under Article II, Sec. 26, Article IX, Sec. 17.29, and Article IX, Sec. 18.65 are reflected in this report. Supplemental Funding for Foster Care Capacity Improvements appropriated under HB 5, 87th Leg, Second Called Session, 2021, Sec. 11.52 is also reflected.

CAPITAL BUDGET ISSUES

The budget in Schedule 8 (Capital Projects) reflects the DFPS 2022-2023 capital appropriation levels. Future adjustments will be reflected in Monthly Financial Reports as revenues are realized and/or actual adjusting entries are processed in the Uniform State Accounting System.

- B. This adjustment reflects changes in estimated federal entitlement funds (gains or losses) pursuant to Art IX, Sec 13.01, Federal Funds/Block Grants Fed Entitlements.
- V. These adjustments reflect carry-forward of funding appropriated by 87th Legislature, Regular Session House Bill 2, Sec 35(A)(5), 35(d)(4).

STATUS OF PENDING TRANSFERS AND AUTHORITY REQUIRING PRIOR APPROVAL

Schedule 10 contains a full listing of request for approval and notifications that DFPS has submitted for the fiscal year. The items listed below are pending approval.

Letter Topic	HHSC/DFPS	LBB	Governor
Appropriation Year	Letter Date		
Request for Authority to Pay Exceptional Rate that Exceeds GAA Rate [DFPS-2023-A-001]	September 20, 2022	-	-
Request Approval to Expend Additional CCDBG Funds [DFPS-2023-A-002]	October 19, 2022	-	-

Ms. Sarah Hicks
Mr. Jerry McGinty
October 24, 2022
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Please feel free to contact me at 512-929-7426 if you have any questions or require additional information.

Sincerely,

A handwritten signature in black ink that reads "Lea Ann Biggar". The signature is written in a cursive, flowing style.

Lea Ann Biggar
Deputy Chief Financial Officer

cc: Madelyn Fletcher, Governor's Office
Jessica Olson, Lieutenant Governor's Office
Molly Czepiel, Speaker's Office
Briana Novian, House Appropriations Committee
Stacey Gilliam, Senate Finance Committee
Alyssa Jones, Senate Finance Committee
Eduardo Rodriguez, Legislative Budget Board
Andrea Nikic, Legislative Budget Board
Amit Patel, Legislative Budget Board
Rob Coleman, Director of Fiscal Management