



# Texas Department of Family and Protective Services

**Commissioner**  
Audrey O'Neill

April 14, 2026

Mr. Fisher Reynolds, Budget Director  
Office of the Governor  
1100 San Jacinto, 4th Floor  
Austin, TX 78701

Ms. Nora Velasco, Deputy Director  
Legislative Budget Board  
1501 North Congress Avenue, 5th Floor  
Austin, TX 78701

Dear Mr. Reynolds and Ms. Velasco:

Enclosed is the agency's FY 2026 Monthly Financial Report as of February 2026. 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.

Pursuant to the Article II Special Provisions, Sec. 27, schedules for FY 2026 have been updated to align with the updated reporting structure. Also, Revenue for Object Code 3770, Administrative Penalties, is included in the Revenue Schedule for Appropriated Receipts (0666) to meet the requirements for Rider 28, Contractor Penalties, and Incentives.

## **BUDGET VARIANCES**

Schedule 1 of this report reflects the agency's current projections for program expenditures, and the Winter Forecast for entitlement programs (Foster Care and Adoption Subsidy/PCA), Contracted Day Care services, and the Relative Other Designated Caregiver program.

This report reflects an agency deficit of \$166.3 million in General Revenue and all funds.

- Appropriations for which expense is projected to exceed the adjusted budget are reflected as a negative variance:
  - 0001 – General Revenue
  - 8008 – GR-Title IV-E (FMAP)

- The projected general revenue variances are summarized as follows:
  - Entitlement Programs - \$145.3 million deficit
  - Non-Entitlement Programs - \$21 million deficit

## **SIGNIFICANT CHANGES FROM PREVIOUS REPORT**

There are no significant changes from the previous report.

The Request to Exceed referenced in the previous report is reflected as submitted in Schedule 5 and below.

## **OTHER KEY BUDGET ISSUES**

The key driver of the agency deficit lies within Goal B (Strategies B.1.1, B.1.9, B.1.10 & B.1.11) and secondarily in Goal C, Adult Protective Services direct delivery. DFPS continues to see growing counts related to children in foster care which is reflected in the Winter Forecast.

## **STATUS OF PENDING TRANSFERS AND AUTHORITY REQUIRING PRIOR APPROVAL**

Schedule 5 contains a full listing of requests for approvals and notifications that DFPS has submitted for the fiscal year. The items listed below are pending or newly approved.

<b>Letter Topic</b>	<b>HHSC/DFPS</b>	<b>LBB</b>	<b>Governor</b>
<b>Appropriation Year</b>	<b>Letter Date</b>		
Request authority to exceed amounts in Rider 25, Limitation: Community-based Care Payments; carry-forward funds from FY 2026 to FY 2027 for Catchment Area 6A and 6B Stage II Start-up and pay Exceptional Rate that Exceeds Appropriation.	10/7/2025	Approved	Approved
Notification to transfer FTEs and General Revenue from Strategy B.1.1, CPS Direct Delivery to A.1.1 SWI Services in Fiscal Year 2026 and 2027.	10/10/2025	Approved	Approved

Mr. Fisher Reynolds  
Ms. Nora Velasco  
April 14, 2026  
Page 3

Provide notification for and request authority to transfer funds for Fiscal Year 2025 to address funding needs.	03/23/2026	Pending	Pending
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Provide notification for and request authority to transfer funds for Fiscal 2026 to address funding needs.	03/23/2026	Pending	Pending
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Please feel free to contact me at 512-919-7463 if you have any questions or require additional information.

Sincerely,

Yetunde Oyiwola  
Budget Director

cc: Bryan Shufelt, Governor's Office  
Cory Fish, Governor's Office  
Andria Franco, Lieutenant Governor's Office  
Madelyn Franks, Speaker's Office  
Casey Floren, House Appropriations Committee  
Maureen Metteauer, Senate Finance Committee  
Stacey Gilliam, Senate Finance Committee  
Nicole Childress, Senate Finance Committee  
Eduardo Rodriguez, Legislative Budget Board  
Andrea Nikic, Legislative Budget Board  
Amit Patel, Legislative Budget Board  
Samantha Brock, Legislative Budget Board  
Clarisse Roquemore, Director of Fiscal Management  
Sam Bacarisse, Speaker's Office