



Texas Department of Family and Protective Services

Commissioner
Audrey O'Neill

July 22, 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 May 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 Spring Forecast for entitlement programs (Foster Care and Adoption Subsidy/PCA), Contracted Day Care services, and the Relative Other Designated Caregiver program.

This report does not reflect an agency deficit or surplus. Anticipated expenditures mirror the adjusted budget.

SIGNIFICANT CHANGES FROM PREVIOUS REPORT

The forecast for entitlement programs (Foster Care and Adoption Subsidy/PCA), Contracted Day Care services, and the Relative Other Designated Caregiver program was updated to reflect the

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Spring Forecast. Additionally, the May 2026 report reflects the approval of RTE DFPS-2026-A-004, which addressed the projected deficits.

OTHER KEY BUDGET ISSUES

While the deficits were addressed in this month's report, the agency continues to monitor the key driver of the agency costs 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 Spring 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.

Letter Topic Appropriation Year	HHSC/DFPS Letter Date	LBB	Governor
Provide notification for and request authority to transfer funds for Fiscal Year 2025 to address funding needs.	03/23/2026	Approved	Approved
Provide notification for and request authority to transfer funds for Fiscal 2026 to address funding needs.	03/23/2026	Approved	Approved

Please feel free to contact me at 512-919-7463 if you have any questions or require additional information.

Sincerely,



Yetunde Oyiwola
Budget Director

Mr. Fisher Reynolds

Ms. Nora Velasco

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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 Roquemoire, Director of Fiscal Management
 Sam Bacarisse, Speaker's Office