



TEXAS DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

COMMISSIONER
Carey D. Cokerell

January 2, 2008

Mike Morrissey, Director
Budget, Planning and Policy
Office of the Governor
State Insurance Building, 4th Floor
1100 San Jacinto
Austin, Texas 78751

John O'Brien, Director
Legislative Budget Board
Robert E. Johnson Building, 5th Floor
1501 N. Congress Avenue
Austin, Texas 78701

Dear Sirs:

In accordance with the 80th Legislature, HB 1, Article II, Department of Family and Protective Services, Rider 29, we are submitting the required Child Protective Services (CPS) Reform Continued First Quarter Expenditure Report for FY 2008.

QUARTERLY BUDGET ADJUSTMENTS

The following adjustments were made to the appropriated budget during the first quarter FY 2008. In total, the operating budget was increased by \$6,242,479 for the following:

- An increase of \$496,479 for the state employee pay raise appropriated by the 80th Legislature.
- An increase of \$2,645 for the increased funding for employee benefit replacement pay.
- An increase of \$5,743,355 in federal entitlement to reflect adjustments for updated expenditure projections.

QUARTERLY BUDGET VARIANCES

CPS Reform Continued has a projected shortfall of \$5.7 million GR and \$3.1 million TANF for a total shortfall of \$8.8 million. This shortfall is due primarily to the foster care cost savings included in the appropriation for this strategy. This shortfall will be covered by the surplus funds in Strategy A.2.10.

SIGNIFICANT CHANGES FROM PREVIOUS QUARTERLY REPORT

Since this is the first quarterly Rider 29 report for FY 2008, there are no changes to discuss.

OTHER KEY ISSUES

The agency continues to budget using the assumption that Targeted Case Management Medicaid claims for costs associated with the CPS out-of-home population is not allowable, even though the State of Texas continues to draw down Medicaid funds for these costs. This budget approach is consistent with appropriated funding for FY 2008.

Please contact Laura Phillips at 438-4429 if you have any questions or require additional information.

Sincerely,

Cindy Brown
Chief Financial Officer

cc: Jessica Olson, Governor's Advisor, Governor's Office
Nancy Millard, Legislative Budget Board

Texas Department of Family and Protective Services



Rider 29 CPS Reform Continued Quarterly Expenditure Report for FY 2008

First Quarter as of November 30, 2007

Submitted January 02, 2008

DFPS Rider 29 CPS Reform Continued Expenditure Report for First Quarter FY 2008
as of November 30, 2007

	FY 2008 Appropriated	FY 2008 Funding Allocation	Operating Budget Adjustments	FY 2008 Operating Budget	YTD Expenditures	Projected Expense (Annual)	Variance	Total Approp FTEs	Annual Phase-In	YTD Ave FTEs Filled
Purpose Listed in Rider 29										
1. Family Group Decision Making During Investigations	1,760,551	1,760,551	32,064	1,792,615	302,265	1,803,791	(11,176)	31.0	31.0	21.7
2. Additional Family Based Safety Services Staff	1,445,841	1,445,841	18,436	1,464,277	223,618	1,485,837	(21,560)	48.0	25.3	15.0
3. Strengthen Families Through Enhanced In-Home Support	4,426,500	4,426,500	-	4,426,500	-	4,426,500	-	-	-	-
4. Purchased Client Services to Keep Families Together	1,590,452	1,590,452	-	1,590,452	162,075	1,665,055	(74,603)	-	-	-
5. Family Group Decision Making After Removal	2,996,117	2,996,117	54,552	3,050,669	514,366	3,069,715	(19,046)	53.0	53.0	37.1
6. Purchased Client Services to Reunify Families	1,763,525	1,763,525	(114)	1,763,411	158,128	1,677,377	86,034	-	-	-
7. Additional Substitute Care Staff	10,144,254	10,144,254	162,925	10,307,179	1,691,665	10,407,208	(100,030)	321.0	245.3	191.1
8. Additional Staff and Support for Kinship Placements	10,821,585	10,821,585	40,770	10,862,355	1,461,601	10,891,933	(29,579)	73.0	52.8	28.0
9. Additional Staff to Redact Records	431,200	431,200	6,888	438,088	100,119	445,530	(7,441)	10.0	10.0	9.3
10. Additional Legal Staff	1,102,004	1,102,004	17,739	1,119,743	256,551	1,138,539	(18,795)	23.0	23.0	21.3
11. Tablet PC's for Substitute Care and Licensing Staff	4,006,488	4,006,488	(30,461)	3,976,027	268,234	4,150,538	(174,511)	-	-	-
12. Expand Disproportionality Sites	666,312	666,312	11,637	677,949	113,254	682,983	(5,034)	8.0	8.0	4.1
13. Strengthen Program Support and Administrative Services	2,518,525	2,518,525	150,176	2,668,701	467,318	2,555,925	112,776	51.0	46.2	50.0
14. Records Management	2,445,399	2,445,399	(49,720)	2,395,679	17,627	2,054,024	341,655	13.0	13.0	-
15. Strengthen Licensing Oversight	5,546,303	5,546,303	105,413	5,651,716	720,689	5,772,997	(121,282)	84.0	84.0	62.0
16. Strengthen Contract Oversight	2,558,655	2,558,655	9,734	2,568,389	162,886	2,628,486	(60,097)	18.0	18.0	8.3
17. Additional Staff to Process Criminal History Checks	814,904	814,904	8,465	823,369	189,774	810,167	13,202	31.0	29.2	10.3
18. Enhance Community Engagement and Provider Development	231,091	231,091	11,407	242,498	31,612	249,472	(6,974)	4.0	4.0	2.0
19. Foster Care Caseload Reduction	(13,868,338)	(13,868,338)	5,692,570	(8,175,768)	-	-	(8,175,768)	-	-	-
TOTAL, CPS REFORM CONTINUED	41,401,368	41,401,368	6,242,479	47,643,847	6,841,782	55,916,077	(8,272,229)	768.0	642.6	460.0
Method of Finance										
General Revenue	14,631,509	14,631,509	177,838	14,809,347		19,490,090	(4,680,743)			
Federal Funds, Est.	26,769,859	26,769,859	6,064,641	32,834,500		36,425,987	(3,591,486)			
TOTAL, ALL FUNDS	41,401,368	41,401,368	6,242,479	47,643,847		55,916,077	(8,272,229)			

Note: Adjustments between purposes to arrive at the FY 2008 funding allocation are detailed on Page 1(a). Adjustments to the operating budget are detailed on Page 1(b)

Explanation of Variances:

The shortfall is primarily attributable to the anticipated Foster Care savings included in the appropriation for CPS Reform Continued. Projected Foster Care costs and resulting surplus Foster Care appropriation are found in Strategy A.2.10. The Strategy A.2.10 surplus will be used to fund this shortfall.

DFPS Rider 29 CPS Reform Continued Expenditure Report for First Quarter FY 2008
 Detail of Adjustments Between Purposes
 as of November 30, 2007

	FY 2008 Appropriated	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4	Adjustment 5	FY 2008 Funding Allocation
Purpose Listed in Rider 29							
1. Family Group Decision Making During Investigations	1,760,551						1,760,551
2. Additional Family Based Safety Services Staff	1,445,841						1,445,841
3. Strengthen Families Through Enhanced In-Home Support	4,426,500						4,426,500
4. Purchased Client Services to Keep Families Together	1,590,452						1,590,452
5. Family Group Decision Making After Removal	2,996,117						2,996,117
6. Purchased Client Services to Reunify Families	1,763,525						1,763,525
7. Additional Substitute Care Staff	10,144,254						10,144,254
8. Additional Staff and Support for Kinship Placements	10,821,585						10,821,585
9. Additional Staff to Redact Records	431,200						431,200
10. Additional Legal Staff	1,102,004						1,102,004
11. Tablet PC's for Substitute Care and Licensing Staff	4,006,488						4,006,488
12. Expand Disproportionality Sites	666,312						666,312
13. Strengthen Program Support and Administrative Services	2,518,525						2,518,525
14. Records Management	2,445,399						2,445,399
15. Strengthen Licensing Oversight	5,546,303						5,546,303
16. Strengthen Contract Oversight	2,558,655						2,558,655
17. Additional Staff to Process Criminal History Checks	814,904						814,904
18. Enhance Community Engagement and Provider Development	231,091						231,091
19. Foster Care Caseload Reduction	(13,868,338)						(13,868,338)
TOTAL, CPS REFORM CONTINUED	41,401,368	0	0	0	0	0	41,401,368
Method of Finance							
General Revenue	14,631,509						14,631,509
Federal Funds, Est.	26,769,859						26,769,859
TOTAL, ALL FUNDS	41,401,368	0	0	0	0	0	41,401,368

Explanation of Adjustments:

Current Adjustments -

None

DFPS Rider 29 CPS Reform Continued Expenditure Report for First Quarter FY 2008
 Detail of Operating Budget Adjustments
 as of November 30, 2007

Purpose Listed in Rider 29	FY 2008 Revised Funding Allocation	OPERATING BUDGET ADJUSTMENTS					FY 2008 Operating Budget
		Adj. 1 Employee Pay Raise	Adj. 2 Benefit Replacement Pay	Adj. 3 HHSC Transfer	Adj. 4 Federal Entitlement Adjustment	Total Operating Budget Adjustments	
1. Family Group Decision Making During Investigations	1,760,551	31,355			709	32,064	1,792,615
2. Additional Family Based Safety Services Staff	1,445,841	20,842			(2,406)	18,436	1,464,277
3. Strengthen Families Through Enhanced In-Home Support	4,426,500				-	-	4,426,500
4. Purchased Client Services to Keep Families Together	1,590,452				-	-	1,590,452
5. Family Group Decision Making After Removal	2,996,117	53,350			1,202	54,552	3,050,669
6. Purchased Client Services to Reunify Families	1,763,525				(114)	(114)	1,763,411
7. Additional Substitute Care Staff	10,144,254	169,217			(6,292)	162,925	10,307,179
8. Additional Staff and Support for Kinship Placements	10,821,585	42,470			(1,700)	40,770	10,862,355
9. Additional Staff to Redact Records	431,200	5,958			930	6,888	438,088
10. Additional Legal Staff	1,102,004	15,308			2,431	17,739	1,119,743
11. Tablet PC's for Substitute Care and Licensing Staff	4,006,488				(30,461)	(30,461)	3,976,027
12. Expand Disproportionality Sites	666,312	11,617			20	11,637	677,949
13. Strengthen Program Support and Administrative Services	2,518,525	31,285			118,891	150,176	2,668,701
14. Records Management	2,445,399	8,749	2,645	-	(61,114)	(49,720)	2,395,679
15. Strengthen Licensing Oversight	5,546,303	74,891			30,522	105,413	5,651,716
16. Strengthen Contract Oversight	2,558,655	18,903			(9,169)	9,734	2,568,389
17. Additional Staff to Process Criminal History Checks	814,904	10,124			(1,659)	8,465	823,369
18. Enhance Community Engagement and Provider Development	231,091	2,410			8,997	11,407	242,498
19. Foster Care Caseload Reduction	(13,868,338)				5,692,570	5,692,570	(8,175,768)
TOTAL, CPS REFORM CONTINUED	41,401,368	496,479	2,645	-	5,743,355	6,242,479	47,643,847
Method of Finance							
General Revenue	14,631,509	177,450	388	-	-	177,838	14,809,347
Federal Funds, Est.	26,769,859	319,029	2,257	-	5,743,355	6,064,641	32,834,500
TOTAL, ALL FUNDS	41,401,368	496,479	2,645	-	5,743,355	6,242,479	47,643,847

Explanation of Operating Budget Adjustments:

Adjustment 1 - General state employee pay raise (\$496,472).

Adjustment 2 - Increased funding for Benefit Replacement Pay (\$2,645).

Adjustment 3 - Reversal of the September budget increase of \$1,705 pending approval of Article II, Sec.12, Special Provisions relating to HHSC transfer for cost allocation.

Adjustment 4 - Adjustment to anticipated federal entitlement funding increase (\$5,743,355).

DFPS Rider 29 CPS Reform Continued Expenditure Report for First Quarter FY 2008
 Report by Strategy
 as of November 30, 2007

	FY 2008 Appropriated	FY 2008 Funding Allocation	Operating Budget Adjustments	FY 2008 Operating Budget	YTD Expenditures	FY 2008 Projected Expense (Annual)	Variance	FY08 Total Approp FTEs	Annual Phase-In	YTD Ave FTEs Filled
DFPS Strategy										
A.2.1 - CPS Direct Delivery Staff		19,148,055	365,035	19,513,090	3,424,332	19,613,306	(100,215)	564.0	445.2	318.9
A.2.2 - CPS Program Support		1,334,073	39,845	1,373,918	193,402	1,446,580	(72,662)	26.5	26.5	19.1
A.2.3 - TWC Foster Day Care		1,483,850	-	1,483,850	381,694	1,483,850	-			-
A.2.6 - Post Adoption Purchased Services		228,936	-	228,936	14,467	209,790	19,146			-
A.2.8 - Substance Abuse Purchased Services		422,726	-	422,726	40,323	508,075	(85,349)			-
A.2.9 - Other CPS Purchased Services		7,128,815	(114)	7,128,701	265,413	7,051,066	77,634			-
A.2.10 - Foster Care Payments		(7,112,528)	5,692,570	(1,419,958)	648,397	6,755,810	(8,175,768)			-
A.4.1 - Child Care Regulation		5,935,113	120,309	6,055,422	874,561	6,125,783	(70,360)	117.0	115.2	76.2
B.1.1 - Central Administration		1,148,523	23,251	1,171,774	233,730	2,949,306	(1,777,533)	35.5	35.5	17.6
B.1.3 - Regional Administration		86,580	5,997	92,577	2,938	121,682	(29,106)	4.0	4.0	10.2
B.1.4 - IT Program Support		5,782,277	29,455	5,811,732	646,705	5,895,281	(83,549)	21.0	16.2	18.0
B.1.5 - Agency-wide Automated Systems		5,814,948	(33,867)	5,781,081	115,819	3,755,547	2,025,533			-
C.1.1 - CPS Reform Continued	41,401,368		-	-	-	-	-			-
TOTAL, CPS REFORM CONTINUED	41,401,368	41,401,368	6,242,479	47,643,847	6,841,782	55,916,077	(8,272,229)	768.0	642.6	460.0
Method of Finance										
General Revenue	14,631,509	14,631,509	177,838	14,809,347	-	19,490,090	(4,680,743)			
Federal Funds, Est.	26,769,859	26,769,859	6,064,641	32,834,500	-	36,425,987	(3,591,486)			
TOTAL, ALL FUNDS	41,401,368	41,401,368	6,242,479	47,643,847	-	55,916,077	(8,272,229)			

Explanation of Variances:

The shortfall is primarily attributable to the anticipated Foster Care savings included in the appropriation for CPS Reform Continued. Projected Foster Care costs and resulting surplus Foster Care appropriation are found in Strategy A.2.10. The Strategy A.2.10 surplus will be used to fund this shortfall.

DFPS Rider 29 CPS Reform Continued Expenditure Report for First Quarter FY 2008

FTE Detail

as of November 30, 2007

Purpose Listed in Rider 29	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Annual Ave
	Quarter 1			Quarter 2			Quarter 3			Quarter 4			
1. Family Group Decision Making During Investigations	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0
FTEs Filled	21.7	21.7	21.7										21.7
2. Additional Family Based Safety Services Staff	2.0	4.0	7.0	16.0	17.0	24.0	32.0	33.0	36.0	38.0	46.0	48.0	25.3
FTEs Filled	15.0	15.0	15.0										15.0
5. Family Group Decision Making After Removal	53.0	53.0	53.0	53.0	53.0	53.0	53.0	53.0	53.0	53.0	53.0	53.0	53.0
FTEs Filled	37.1	37.1	37.1										37.1
7. Additional Substitute Care Staff	131.0	159.0	182.0	202.0	239.0	251.0	270.0	281.0	291.0	302.0	314.0	321.0	245.3
FTEs Filled	191.1	191.1	191.1										191.1
8. Additional Staff and Support for Kinship Placements	32.0	37.0	41.0	45.0	49.0	52.0	55.0	58.0	61.0	64.0	66.0	73.0	52.8
FTEs Filled	27.7	27.7	28.5										28.0
9. Additional Staff to Redact Records	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
FTEs Filled	9.1	9.1	9.6										9.3
10. Additional Legal Staff	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0	23.0
FTEs Filled	20.9	20.9	22.0										21.3
12. Expand Disproportionality Sites	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
FTEs Filled	2.8	2.8	6.5										4.1
13. Strengthen Program Support and Administrative Services	36.0	36.0	36.0	38.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	46.2
FTEs Filled	49.9	49.9	50.1										50.0
14. Records Management	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
FTEs Filled	0.0	0.0	0.0										0.0
15. Strengthen Licensing Oversight	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0
FTEs Filled	72.3	54.6	59.1										62.0
16. Strengthen Contract Oversight	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
FTEs Filled	0.0	12.0	12.8										8.3
17. Additional Staff to Process Criminal History Checks	9.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	29.2
FTEs Filled	0.0	14.5	16.4										10.3
18. Enhance Community Engagement and Provider Development	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
FTEs Filled	0.0	2.7	3.2										2.0
TOTAL, CPS REFORM CONTINUED													
Staffing Plan	454.0	511.0	541.0	576.0	631.0	653.0	683.0	698.0	714.0	730.0	752.0	768.0	642.6
FTEs Filled	447.6	459.2	473.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	460.0
Percent Achievement of Staffing Plan	99%	90%	87%	0%	0%	0%	0%	0%	0%	0%	0%	0%	72%