

**Strategic Fiscal Review 2016-17**  
**House Budget Recommendations: HB 1 as Introduced**  
**Texas Department of Public Safety 405**

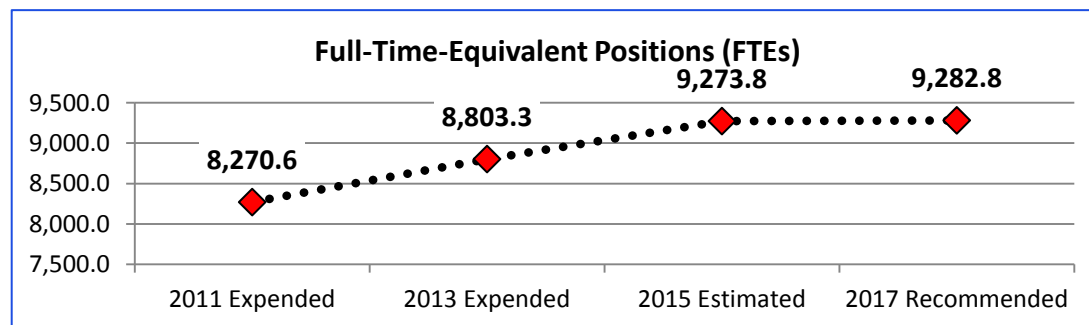
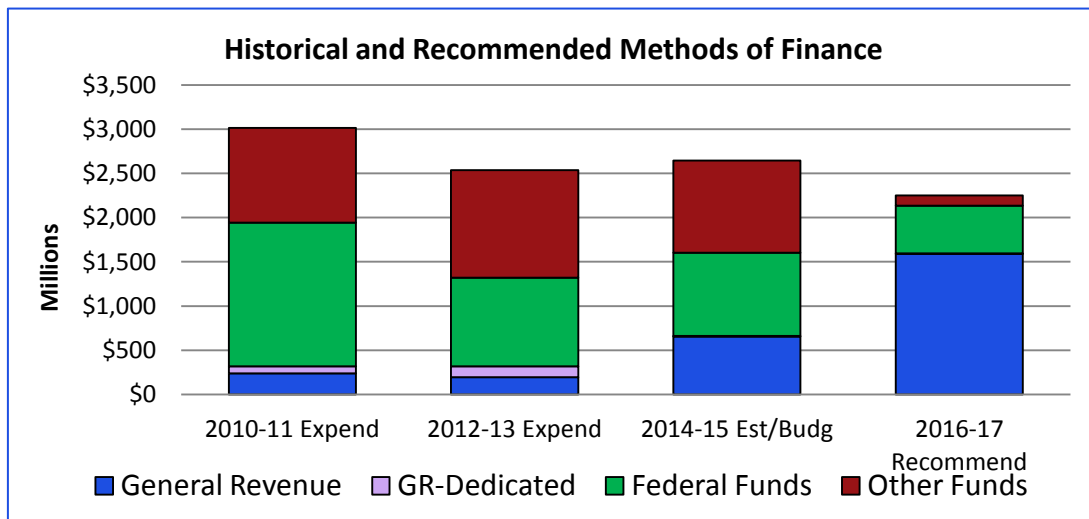
The staff of the Legislative Budget Board conducted the Strategic Fiscal Review in the fall of 2014. The analysis contained in these materials reflects that staff review. The budget amounts for 2016-17 reflect budget recommendations contained in House Bill 1 as Introduced.

**Schedule 1: Agency Overview**

**Mission Statement:** Protect and Serve Texas. Motto: Courtesy, Service, Protection.

**Legal Authority:** Texas Government Code, Title 4, Subtitle B, Chapter 411

**Agency budget comprised of 47 Programs & 104 Activities**



**Overview and Significant Findings**

- **Ranking of Programs.** The number of activities per program and the agency's ranking of programs did not generally correlate to the program's size or evident centrality to agency mission. DPS ranked specialized law enforcement programs (Counterterrorism, Organized Crime, Interdiction, Intelligence, Polygraph) higher than programs essential to the core mission (Traffic Enforcement, Recovery and Mitigation, Commercial Vehicle Enforcement, Emergency Preparedness). See supplement for detail.
- **Vertical Integration.** The agency may require greater vertical integration between the divisions and agency-wide executive administrative and financial staff. For example, to gather the SFR data the central finance division allocated SFR programs to various divisions, who returned their data to the central finance division with widely varying degrees of elaboration and accuracy. These submissions were not adequately proofed for reconciliation at an agency-wide level by central finance division staff.
- **Regulatory Services.** The agency is charged with implementing a significant amount of licensing and regulatory activity. The agency currently administers the state's driver licensing services (1,928 FTEs) as well as nine additional regulatory programs (361.0 FTEs). While some of these regulated programs clearly are within the agency's public safety mission, there is a policy question whether this agency is the best location for those functions not clearly within the agency's public safety mission. For further detail, please see Schedule 5 Program Summary, "Regulatory Services - Issuance, Compliance and Modernization" as well as the last page of this packet.

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**Schedule 2A: Program Listing -- Services and Administration**

Agency Submission		Review and Analysis								
Agency Ranking	Program Name	Year Created	State Authority	Federal Authority	Authority	Mission Centrality	State Service Category	Service Area	Significant Audit and/or Report Findings	Outsourced Services?
1	Organized Crime	1940	Statute	Public Law	Moderate	Strong	Legal Services & Law Enforcement	Statewide	No	No
2	Criminal Interdiction	2008	Statute	N/A	Strong	Strong	Legal Services & Law Enforcement	Statewide	No	No
3	Criminal Interdiction - Aircraft Operations	1952	Statute	Public Law	Moderate	Moderate	Legal Services & Law Enforcement	Statewide	Yes	Yes
4	Counterterrorism	2000	Statute	N/A	Moderate	Moderate	Legal Services & Law Enforcement	Statewide	No	No
5	Intelligence	2000	Statute and GAA - Agency Rider	N/A	Strong	Moderate	Legal Services & Law Enforcement	Statewide	Yes	No
6	Joint Crime Information Center	2000	Statute and GAA - Agency Rider	N/A	Strong	Moderate	Legal Services & Law Enforcement	Statewide	Qualified	No
7	Polygraph	1950	Statute	N/A	Moderate	Moderate	Legal Services & Law Enforcement	Statewide	No	No
8	Security Programs	1938	Statute and Administrative Code	N/A	Strong	Moderate	Legal Services & Law Enforcement	Regional	Qualified	No
9	Criminal Investigations (Rangers)	1938	Statute	N/A	Strong	Strong	Legal Services & Law Enforcement	Statewide	No	No
10	Special Weapons and Tactics	1984	Statute	N/A	Moderate	Moderate	Legal Services & Law Enforcement	Statewide	No	No
11	Database and Clearinghouse for Missing Persons	2008	Statute and GAA - Agency Rider	N/A	Strong	Moderate	Legal Services & Law Enforcement	Statewide	No	No
12	Border Security: Routine Operations	2008	Statute	N/A	Moderate	Moderate	Legal Services & Law Enforcement	Regional	Yes	No
13	Border Security: Networked Intelligence	2008	Statute	N/A	Moderate	Moderate	Legal Services & Law Enforcement	Statewide	No	No
14	Border Security: State Grants to Local Entities	2010	Statute and GAA - Agency Rider	N/A	Moderate	Moderate	Legal Services & Law Enforcement	Regional	No	No
15	Border Security: Extraordinary Operations	2008	Statute, Budget Execution Order	N/A	Moderate	Moderate	Legal Services & Law Enforcement	Regional	No	No
16	Traffic Enforcement	1936	Statute	Public Law	Strong	Strong	Legal Services & Law Enforcement	Statewide	Yes	No
17	Safety Education	1954	Statute	N/A	Strong	Strong	Legal Services & Law Enforcement	Statewide	No	No
18	Commercial Vehicle Enforcement	1940	Statute	N/A	Strong	Strong	Legal Services & Law Enforcement	Statewide	Yes	No

**Schedule 2A: Program Listing -- Services and Administration**

Agency Submission		Review and Analysis								
Agency Ranking	Program Name	Year Created	State Authority	Federal Authority	Authority	Mission Centrality	State Service Category	Service Area	Significant Audit and/or Report Findings	Outsourced Services?
19	Motor Carrier Bureau	1968	Statute	N/A	Strong	Strong	Legal Services & Law Enforcement	Statewide	No	No
20	Public Safety Communications	1936	Statute	Public Law	Strong	Strong	Legal Services & Law Enforcement	Statewide	Yes	Yes
21	Interoperability	1988	Statute	Public Law	Strong	Strong	Legal Services & Law Enforcement	Statewide	No	Yes
22	Emergency Preparedness	1963	Statute and Executive Order	Public Law and Executive Order	Strong	Strong	Legal Services & Law Enforcement	Statewide	Yes	Yes
23	Homeland Security Grant Program	2000	Statute	N/A	Moderate	Moderate	Legal Services & Law Enforcement	Statewide	Yes	No
24	Fire Management Assistance	1970	Statute and Administrative Code	Public Law and Rules	Strong	Moderate	Legal Services & Law Enforcement	Statewide	Yes	No
25	AMBER Alert	2002	Statute	N/A	Strong	Moderate	Legal Services & Law Enforcement	Statewide	No	No
26	Response Coordination	1963	Statute	Rules	Strong	Strong	Legal Services & Law Enforcement	Statewide	Yes	Yes
27	Recovery & Mitigation (TDEM)	1963	Statute and Administrative Code	Public Law and Rules	Strong	Strong	Legal Services & Law Enforcement	Statewide	Yes	Yes
28	State Operations Center	1963	Statute	Rules	Moderate	Moderate	Legal Services & Law Enforcement	Statewide	No	No
29	Crime Laboratory Services	1936	Statute	Public Law	Moderate	Strong	Legal Services & Law Enforcement	Statewide	No	No
30	Crime Records Service	1936	Statute	N/A	Moderate	Strong	Legal Services & Law Enforcement	Statewide	Yes	Yes
31	Sex Offender Registration Database	2000	Statute	N/A	Strong	Moderate	Legal Services & Law Enforcement	Statewide	Yes	No
32	Victim Services	2012	Constitution and Statute	N/A	Strong	Moderate	Legal Services & Law Enforcement	Statewide	No	No
33	Driver License Services	1938	Statute	N/A	Strong	Moderate	Legal Services & Law Enforcement	Statewide	Yes	No
34	Driving and Motor Vehicle Safety	1938	Statute	N/A	Strong	Strong	Legal Services & Law Enforcement	Statewide	No	No
35	Driver License Improvement Plan	2006	Statute	N/A	Moderate	Moderate	Legal Services & Law Enforcement	Statewide	Yes	No
36	Regulatory Service Issuance	1996	Statute	N/A	Strong	Moderate	Legal Services & Law Enforcement	Statewide	Yes	Yes
37	Regulatory Service Modernization	1996	Statute	N/A	Moderate	Moderate	Legal Services & Law Enforcement	Statewide	Yes	Yes
38	Regulatory Service Compliance	1996	Statute	N/A	Strong	Moderate	Legal Services & Law Enforcement	Statewide	Yes	No

**Schedule 2A: Program Listing -- Services and Administration**

Agency Submission		Review and Analysis								
Agency Ranking	Program Name	Year Created	State Authority	Federal Authority	Authority	Mission Centrality	State Service Category	Service Area	Significant Audit and/or Report Findings	Outsourced Services?
39	Headquarters Administration	1936	Statute	N/A			Legal Services & Law Enforcement	Statewide	No	No
40	Regional Administration	1936	Statute	N/A			Legal Services & Law Enforcement	Statewide	Qualified	Yes
41	Information Technology	1943	Statute and Administrative Code	N/A			Legal Services & Law Enforcement	Statewide	Qualified	Cannot be determined
42	Financial Management	1936	Statute	N/A			Legal Services & Law Enforcement	Statewide	Qualified	Yes
43	Human Capital Management	1936	Statute	N/A			Legal Services & Law Enforcement	Statewide	Yes	No
44	Training Academy and Development	1936	Statute	N/A	Strong	Moderate	Legal Services & Law Enforcement	Statewide	Yes	No
45	Fleet Operations	1936	Statute	N/A			Legal Services & Law Enforcement	Statewide	Yes	No
46	Facilities Management	1936	Statute	N/A			Legal Services & Law Enforcement	Statewide	Qualified	Yes
47	Repair/Rehabilitation of Facilities	1936	Statute	N/A			Legal Services & Law Enforcement	Statewide	No	No

**Program Summary Included**

**Notes:** **Qualified** indicates that there may be issues relating to agency operations that have not been documented in formal audits, reviews or reports, or LBB Staff cannot verify whether recommendations have been implemented.

**Cannot be determined** indicates that LBB Staff cannot make a finding regarding whether services are provided by agency staff or contracted to a third party based on agency submission or independent research.

**Notes:** **Significant Audit and/or Report Findings:** Audit findings (for both SAO and internal audits) have been implemented (or are in the process of being implemented) for the following programs:

- Criminal Interdiction - Aircraft Operations
- Intelligence
- Border Security: Routine Operations
- Traffic Enforcement
- Commercial Vehicle Enforcement
- Public Safety Communications
- Emergency Preparedness
- Fire Management Assistance
- Response Coordination
- Recovery & Mitigation (TDEM)

- Crime Records Service
- Sex Offender Registration Database
- Driver License Services
- Driver License Improvement Plan
- Regulatory Service Issuance
- Regulatory Service Modernization
- Regulatory Service Compliance
- Human Capital Management
- Training Academy and Development
- Fleet Operations

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Schedule 2B: Program Listing -- Fiscal

Agency Submission					Review, Analysis and Funding									
Agency Ranking	Program Name	1st Year Full Implementation	2010-11 Expended	2012-13 Expended	2014-15 Est / Budg	2015 FTEs Budg	2016-17 HB 1 - Intro	2017 FTEs Rec.	Percent Change from Base	FTEs Change from Base	Revenue Supported?	Appropriate Use of Constitutional and GR-Dedicated Funds?	Agency Funding Alternatives in Recs?	
1	Organized Crime	\$ 6,754,755	\$ 99,583,786	\$ 106,665,397	\$ 131,517,678	705.0	\$ 136,834,756	705.0	4.0%	0.0	No	NA	No	
2	Criminal Interdiction	-	5,682,757	7,269,975	8,183,864	48.0	8,362,978	48.0	2.2%	0.0	No	NA	No	
3	Criminal Interdiction - Aircraft Operations	1,664,705	30,857,658	27,305,416	34,038,492	48.0	21,857,690	48.0	-35.8%	0.0	No	NA	No	
4	Counterterrorism	-	698,974	1,167,424	1,166,594	10.0	1,195,466	10.0	2.5%	0.0	No	NA	No	
5	Intelligence	-	4,925,225	5,089,484	7,557,770	44.0	5,736,530	44.0	-24.1%	0.0	No	NA	No	
6	Joint Crime Information Center	-	6,104,763	6,682,568	7,950,225	93.0	8,137,444	93.0	2.4%	0.0	No	NA	No	
7	Polygraph	-	2,742,304	2,946,437	3,550,831	17.0	4,119,670	17.0	16.0%	0.0	No	NA	No	
8	Security Programs	-	42,626,626	45,219,545	45,153,019	317.9	45,410,824	317.9	0.6%	0.0	No	NA	No	
9	Criminal Investigations (Rangers)	94,967	40,426,627	45,089,437	51,178,746	273.0	52,059,144	273.0	1.7%	0.0	No	NA	No	
10	Special Weapons and Tactics	-	3,555,131	3,526,112	4,119,926	19.0	4,337,774	19.0	5.3%	0.0	No	NA	No	
11	Database and Clearinghouse for Missing Persons	-	2,030,434	2,184,091	2,191,993	5.0	2,213,668	5.0	1.0%	0.0	No	NA	No	
12	Border Security: Routine Operations	-	54,518,600	50,491,646	54,476,730	193.0	63,074,188	193.0	15.8%	0.0	No	NA	No	
13	Border Security: Networked Intelligence	-	19,030,504	19,497,000	16,440,058	18.0	15,274,052	18.0	-7.1%	0.0	No	NA	No	
14	Border Security: State Grants to Local Entities	-	10,936,740	20,454,203	56,356,418	0.0	48,924,966	0.0	-13.2%	0.0	No	NA	No	
15	Border Security: Extraordinary Operations	-	-	-	88,172,217	0.0	88,172,217	0.0	0.0%	0.0	No	NA	No	
16	Traffic Enforcement	324,269	242,290,266	332,895,316	357,840,946	1,952.0	381,994,362	1,952.0	6.7%	0.0	No	NA	No	
17	Safety Education	1,255,829	3,839,125	4,076,866	5,005,579	28.0	5,236,766	28.0	4.6%	0.0	No	NA	No	
18	Commercial Vehicle Enforcement	5,207,155	71,277,527	74,720,425	88,610,607	428.0	89,111,875	428.0	0.6%	0.0	Yes	NA	No	
19	Motor Carrier Bureau	-	33,383,410	38,161,895	45,288,394	391.0	44,874,010	391.0	-0.9%	0.0	No	NA	No	
20	Public Safety Communications	5,644,023	32,384,791	35,003,034	34,543,234	264.0	33,964,797	264.0	-1.7%	0.0	No	NA	No	
21	Interoperability	-	-	1,344	6,002,176	5.0	941,540	5.0	-84.3%	0.0	No	NA	No	
22	Emergency Preparedness	-	1,137,237,074	446,830,512	34,365,345	49.0	29,024,869	49.0	-15.5%	0.0	No	NA	No	
23	Homeland Security Grant Program	-	-	42,172,250	122,608,396	35.0	119,518,323	35.0	-2.5%	0.0	Yes	NA	No	
24	Fire Management Assistance	-	12,174,103	65,727,073	475,944	0.0	-	0.0	-100.0%	0.0	No	NA	No	
25	AMBER Alert	-	-	-	-	0.0	-	0.0	N/A	0.0	No	NA	No	
26	Response Coordination	814,713	13,275,690	7,239,979	10,657,283	24.0	4,884,738	24.0	-54.2%	0.0	No	NA	No	
27	Recovery & Mitigation (TDEM)	-	450,137,360	378,203,713	630,624,206	72.0	276,921,708	81.0	-56.1%	9.0	No	NA	No	
28	State Operations Center	-	13,249,408	14,661,323	24,141,274	73.0	16,305,502	73.0	-32.5%	0.0	No	NA	No	
29	Crime Laboratory Services	5,020,067	66,951,786	63,000,642	84,331,790	393.6	74,707,653	393.6	-11.4%	0.0	Yes	NA	No	
30	Crime Records Service	3,900,796	84,172,782	60,518,798	69,160,758	242.5	73,501,585	242.5	6.3%	0.0	Yes	NA	No	
31	Sex Offender Registration Database	-	3,092,898	2,231,979	2,929,404	21.0	2,682,986	21.0	-8.4%	0.0	No	NA	No	

Schedule 2B: Program Listing -- Fiscal

Agency Submission					Review, Analysis and Funding								
Agency Ranking	Program Name	1st Year Full Implementation	2010-11 Expended	2012-13 Expended	2014-15 Est / Budg	2015 FTEs Budg	2016-17 HB 1 - Intro	2017 FTEs Rec.	Percent Change from Base	FTEs Change from Base	Revenue Supported?	Appropriate Use of Constitutional and GR-Dedicated Funds?	Agency Funding Alternatives in Recs?
32	Victim Services	-	2,389,403	2,119,578	2,090,149	11.0	2,138,456	11.0	2.3%	0.0	No	NA	No
33	Driver License Services	167,260	61,445,014	50,936,710	83,563,740	209.0	75,588,238	209.0	-9.5%	0.0	Yes	NA	No
34	Driving and Motor Vehicle Safety	-	129,300,206	136,456,071	138,749,270	1,661.0	148,638,802	1,661.0	7.1%	0.0	Yes	NA	No
35	Driver License Improvement Plan	-	-	67,563,111	23,452,078	30.0	18,717,148	30.0	-20.2%	0.0	No	NA	No
36	Regulatory Service Issuance	-	18,500,554	17,420,284	17,077,545	70.5	16,973,512	70.5	-0.6%	0.0	Yes	NA	No
37	Regulatory Service Modernization	-	7,675,301	11,566,926	10,789,323	63.5	11,915,272	63.5	10.4%	0.0	No	NA	No
38	Regulatory Service Compliance	-	27,906,418	32,607,970	22,589,622	231.0	23,558,852	231.0	4.3%	0.0	Yes	NA	No
39	Headquarters Administration	839,158	30,419,468	35,241,025	40,486,602	252.3	41,930,188	252.3	3.6%	0.0	No	NA	No
40	Regional Administration	5,481,870	26,323,751	27,954,662	27,795,899	301.0	26,959,736	301.0	-3.0%	0.0	No	NA	No
41	Information Technology	3,446,147	70,577,001	97,781,765	104,546,577	265.0	98,860,551	265.0	-5.4%	0.0	No	NA	No
42	Financial Management	6,756,817	12,710,809	12,197,471	13,378,736	116.5	13,241,280	116.5	-1.0%	0.0	No	NA	No
43	Human Capital Management	-	4,009,949	4,310,093	5,163,964	47.0	5,283,980	47.0	2.3%	0.0	No	NA	No
44	Training Academy and Development	-	17,528,249	20,480,908	31,366,828	98.0	32,001,604	98.0	2.0%	0.0	No	NA	No
45	Fleet Operations	-	3,600,116	3,982,327	5,051,244	62.0	4,941,230	62.0	-2.2%	0.0	No	NA	No
46	Facilities Management	-	86,486,990	69,872,141	45,478,374	87.0	10,043,653	87.0	-77.9%	0.0	No	NA	No
47	Repair or Rehabilitation of Buildings and Facilities	5,200,000	28,414,721	35,764,227	43,096,850	0.0	59,551,921	0.0	38.2%	0.0	No	NA	No
<b>Total</b>	<b>Program Summary Included</b>		<b>\$ 3,014,474,299</b>	<b>\$ 2,535,289,153</b>	<b>\$ 2,643,316,698</b>	<b>9,273.8</b>	<b>\$ 2,249,726,504</b>	<b>9,282.8</b>	<b>-14.9%</b>	<b>9.0</b>			

Notes: Data included in the column labeled *1st Year of Full Implementation* may reflect several different fiscal years and therefore it is not summed.

*Qualified* indicates that the agency may be using the funds for the purpose(s) intended or for similar purposes which are not specifically authorized by the constitution or statute, or that there may be conflicts within authorizing laws.

*Partial* indicates that the LBB Recommendations contain some portion of the agency's funding alternative either in terms of amounts or methodology.

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**Schedule 2C: Program Listing -- Explanation of Recommendations**

Agency Submission		Review and Analysis	
Agency Ranking	Program Name	Funding Compared to 2014-15	Explanation of 2016-17 HB 1 Introduced
1	Organized Crime	↑	<b>Funding:</b> Increase of \$5.3 million primarily due to agency's requested allocation of baseline funding.
2	Criminal Interdiction	↑	<b>Funding:</b> Increase of \$0.2 million primarily due to agency's requested allocation of baseline funding.
3	Criminal Interdiction - Aircraft Ops	↓	<b>Funding:</b> Decrease of \$12.2 million primarily due to agency's estimated \$12.4 million decrease in Federal Funds.
4	Counterterrorism	↑	<b>Funding:</b> Increase of \$28,872 primarily due to agency's requested allocation of baseline funding.
5	Intelligence	↓	<b>Funding:</b> Decrease of \$1.8 million primarily due to agency's estimated \$1.8 million decrease in Federal Funds.
6	Joint Crime Information Center	↑	<b>Funding:</b> Increase of \$0.2 million primarily due to agency's requested allocation of baseline funding.
7	Polygraph	↑	<b>Funding:</b> Increase of \$0.6 million primarily due to agency's requested allocation of baseline funding.
8	Security Programs	↑	<b>Funding:</b> Increase of \$0.3 million primarily due to agency's requested allocation of baseline funding.
9	Criminal Investigations (Rangers)	↑	<b>Funding:</b> Increase of \$0.9 million primarily due to agency's requested allocation of baseline funding.
10	Special Weapons and Tactics	↑	<b>Funding:</b> Increase of \$0.2 million primarily due to agency's requested allocation of baseline funding.
11	Database for Missing Persons	↑	<b>Funding:</b> Increase of \$21,675 due to agency's requested allocation of baseline funding.
12	Border Security: Routine Operations	↑	<b>Funding:</b> Increase of \$8.6 million primarily due to agency's requested allocation of baseline funding. See also note, below.
13	Border Security: Networked Intelligence	↓	<b>Funding:</b> Decrease of \$1.2 million primarily due to agency's requested allocation of baseline funding. See also note, below.
14	Border Security: State Grants to Local Entities	↓	<b>Funding:</b> Decrease of \$7.4 million primarily results from a reduction in Federal Funds (\$7.3 million). See also note, below.
15	Border Security: Extraordinary Operations	▬	<b>Funding:</b> Funding level is maintained at 2014-15 levels. See also note, below.

**Schedule 2C: Program Listing -- Explanation of Recommendations**

Agency Submission		Review and Analysis	
Agency Ranking	Program Name	Funding Compared to 2014-15	Explanation of 2016-17 HB 1 Introduced
16	Traffic Enforcement	↑	<b>Funding:</b> Increase of \$24.7 million is due to funding this program at baseline levels prior to a \$12.6 million redirection of baseline funding for this program to support border security operations. Schedule C salary increases account for the great majority of the remaining increase.
17	Safety Education	↑	<b>Funding:</b> Increase of \$0.2 million primarily due to agency's requested allocation of baseline funding.
18	Commercial Vehicle Enforcement	↑	<b>Funding:</b> Increase of \$0.5 million primarily due to agency's requested allocation of baseline funding.
19	Motor Carrier Bureau	↓	<b>Funding:</b> Decrease of \$0.4 million primarily due to agency's estimated \$0.4 million decrease in Federal Funds.
20	Public Safety Communications	↓	<b>Funding:</b> Decrease of \$0.5 million primarily due to agency's estimated \$0.5 million decrease in Federal Funds.
21	Interoperability	↓	<b>Funding:</b> Decrease of \$5.0 million primarily due to agency's estimated \$5.0 million decrease in Federal Funds.
22	Emergency Preparedness	↓	<b>Funding:</b> Decrease of \$5.3 million primarily due to agency's estimated decreases in various federal grants (\$4.8 million).
23	Homeland Security Grant Program	↓	<b>Funding:</b> Decrease of \$3.1 million due primarily to agency's estimated decreases in certain federal grants: Operation Stone Garden (\$1.3 million), State Homeland Security Grant Program (\$1.5 million) and Urban Area Security Initiative - Non-profit (\$0.7 million).
24	Fire Management Assistance	↓	<b>Funding:</b> Decrease of \$0.5 million due agency's cessation of the Federal Funds grant source.
25	AMBER Alert	N/A	This program has no separate funding.
26	Response Coordination	↓	<b>Funding:</b> Decrease of \$5.8 million primarily due to cessation of Emergency Deficient Grant (\$2.3 million) and decreased Federal Funds (\$1.5 million).
27	Recovery & Mitigation (TDEM)	↓	<b>Funding:</b> Decrease of \$353.8 million results from a reduction in Federal Funds (\$351.8 million) and cessation of a \$4.0 million Emergency Deficit Grant.
28	State Operations Center	↓	<b>Funding:</b> Decrease of \$7.8 million results from a reduction of \$7.9 million in Federal Funds and \$0.1 million increase in General Revenue.
29	Crime Laboratory Services	↓	<b>Funding:</b> Decrease of \$9.6 million primarily due to net effect of several adjustments, including LBB staff recommended reductions.
30	Crime Records Service	↑	<b>Funding:</b> Increase of \$4.3 million primarily due to new funding added by the House for crime reporting grants.
31	Sex Offender Registration Database	↓	<b>Funding:</b> Decrease of \$0.2 million primarily due to agency's requested allocation of baseline funding.



**Schedule 2C: Program Listing -- Explanation of Recommendations**

Agency Submission		Review and Analysis	
Agency Ranking	Program Name	Funding Compared to 2014-15	Explanation of 2016-17 HB 1 Introduced
32	Victim Services	↑	<b>Funding:</b> Increase of \$48,308 due to increases in General Revenue (\$4,596) and increases in estimated appropriations (\$32,451 in Criminal Justice Grants and \$11,259 in Interagency Contracts).
33	Driver License Services	↓	<b>Funding:</b> Decrease of \$8.0 million primarily due to a \$1.4 million decrease in Federal Funds and a \$6.5 million requested decrease in baseline funding.
34	Driving and Motor Vehicle Safety	↑	<b>Funding:</b> Increase of \$9.9 million primarily due to agency's requested allocation of baseline funding.
35	Driver License Improvement Plan	↓	<b>Funding:</b> Decrease of \$4.7 million due to agency's requested allocation of baseline funding.
36	Regulatory Service Issuance	↓	<b>Funding:</b> Decrease of \$0.1 million primarily due to agency's requested allocation of baseline funding.
37	Regulatory Service Modernization	↑	<b>Funding:</b> Increase of \$1.0 million primarily due to agency's requested allocation of baseline funding.
38	Regulatory Service Compliance	↑	<b>Funding:</b> Increase of \$1.0 million primarily due to agency's requested allocation of baseline funding.
39	Headquarters Administration	↑	<b>Funding:</b> Increase of \$1.4 million primarily due to agency's requested allocation of baseline funding.
40	Regional Administration	↓	<b>Funding:</b> Decrease of \$0.8 million primarily due to agency's requested allocation of baseline funding.
41	Information Technology	↓	<b>Funding:</b> Decrease of \$5.7 million primarily due to Federal Funds decrease (\$1.6 million reduction) and LBB staff recommended reduction (\$3.3 million).
42	Financial Management	↓	<b>Funding:</b> Decrease of \$0.1 million primarily due to a \$0.1 million decrease in Federal Funds.
43	Human Capital Management	↑	<b>Funding:</b> Increase of \$0.1 million primarily due to agency's requested allocation of baseline funding.
44	Training Academy and Development	↑	<b>Funding:</b> Increase of \$0.6 million primarily due to agency's requested allocation of baseline funding.
45	Fleet Operations	↓	<b>Funding:</b> Decrease of \$0.1 million primarily due to agency's requested allocation of baseline funding.
46	Facilities Management	↓	<b>Funding:</b> Decrease of \$35.4 million primarily due to agency's requested \$6.5 million reduction in General Revenue and a \$28.9 million decrease in G.O. Bond Proceeds.
47	Repair/Rehab Buildings and Facilities	↑	<b>Funding:</b> Increase of \$16.5 million primarily due to agency's requested \$8.1 million increase and \$9.2 million UB of G.O. Bond Proceeds.

**Schedule 2C: Program Listing -- Explanation of Recommendations**

Agency Submission		Review and Analysis	
Agency Ranking	Program Name	Funding Compared to 2014-15	Explanation of 2016-17 HB 1 Introduced

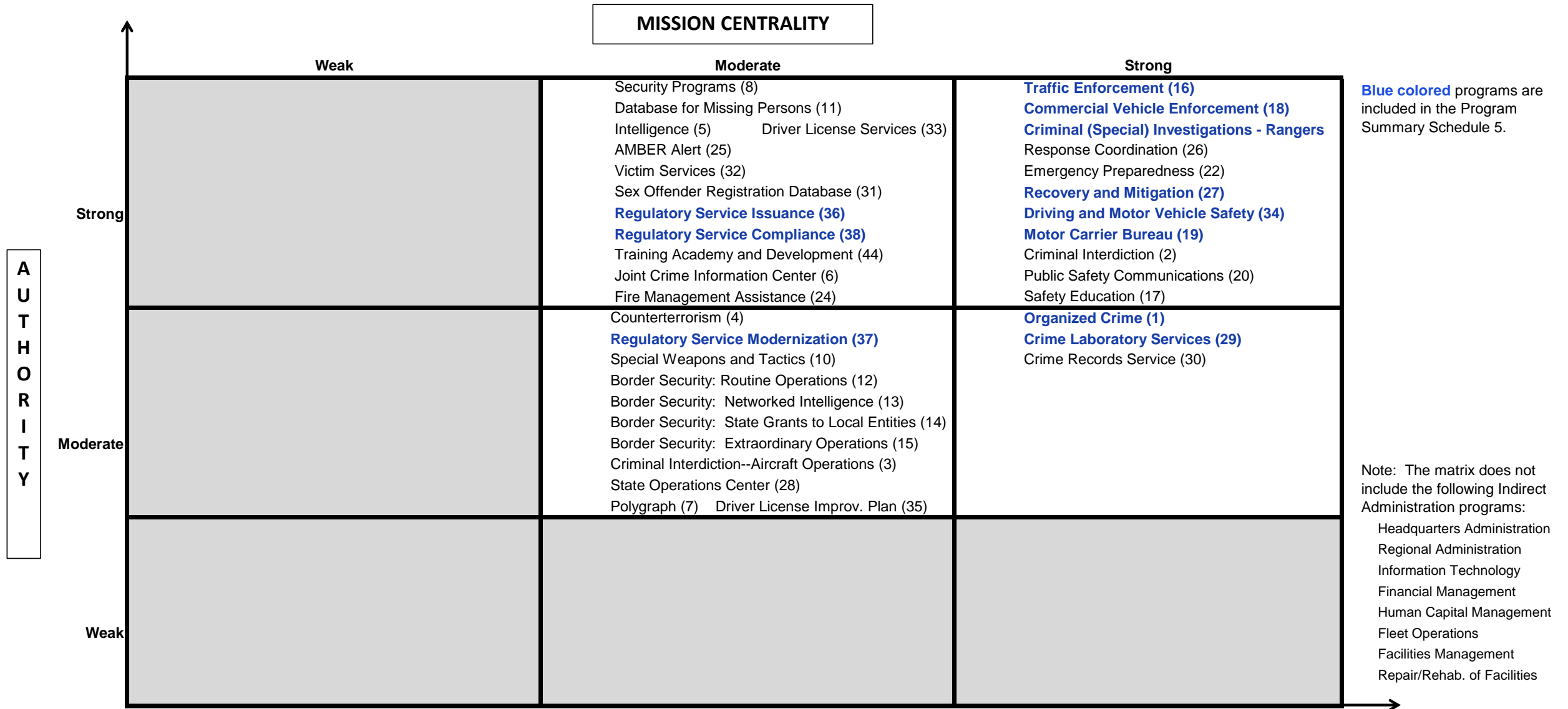
**Program Summary Included (see Schedule 5)**

- Note:** Recommendations include \$29.3 million in General Revenue to extend the 2014-15 salary increases for both general state employees (\$2.2 million) and commissioned law enforcement officers (\$27.1 million). These salaries were paid with Fund 06 and thus were not included in the salary calculations used to account for the costs of biennializing the 2014-15 salary raises. These raises are apportioned among the agency's strategies and partly account for the biennial variances noted.
- Note:** Recommendations for the four border security programs (numbers 12-15, above) compose the total direct funding for border security within the agency's Goal B, Secure Border Region. Recommendations maintain the All Funds funding in Goal B, Secure Border Region at 2014-15 levels. The 2014-15 baseline funding levels include exigent appropriations for border security, including funding for Budget Execution (\$64.9 million) and Governor's Emergency (\$5.5 million).

**Strategic Fiscal Review 2016-17**  
**House Budget Recommendations: HB 1 as Introduced**  
**Schedule 3: Assessments of Mission Centrality and Authority**  
**Texas Department of Public Safety 405**

**Mission centrality** is a judgment of how directly connected a program is to the core mission and goals of the agency, as identified in statute, agency strategic plans, or other documents.

**Authority** is an assessment of how strong and explicit the legal basis is for the existence of the program and the way in which the agency is administering it.



**Strategic Fiscal Review 2016-17**  
**House Budget Recommendations: HB 1 as Introduced**  
**Texas Department of Public Safety 405**

**Schedule 4: Constitutional and General Revenue-Dedicated Accounts**

**1 Account:** **GR Dedicated - Operators and Chauffeurs License Account No. 099**  
**Legal Cite(s):** TX. LOC. GOV'T CODE ANN. §133.102; HEALTH and SAFETY CODE CHAPTER 481; GOVERNMENT CODE, SECTION 772.0071

**Authorized Use:** To receive federal dollars and other authorized revenue. May be used for salaries, purchases of equipment and supplies and other expenses necessary for the operation of the Department of Public Safety. Unless federally restricted, undedicated and unobligated funds may be appropriated to Criminal Justice Division of Governor's Office for grants under the Border Crime Grant Program.

**Revenue Source:** Court Costs; Warrants Voided by Statute of Limitation - Default Fund; Federal Receipts Not Matched - Other Programs; Fees for Copies of Filing of Records; Conference, Seminars, and Training Registration Fees; Insurance Recovery in Subsequent Years; Reimbursements - Third Party

Program(s) Funded	In Compliance with Authorized Use?	1st Full Year Appropriated	2010-11 Expended	2012-13 Expended	2014-15 Est/Budg	2016-17 SB 2 - Intro	Comments
5 Intelligence	Compliant	\$ -	\$ 18	\$ 16	\$ -	\$ -	
6 Joint Crime Information Center	Compliant	\$ -	\$ -	\$ 70	\$ -	\$ -	
8 Security Programs	Compliant	\$ -	\$ 1,028,899	\$ 1,474,924	\$ -	\$ -	
9 Criminal Investigations (Rangers)	Compliant	\$ -	\$ 6,764	\$ 6,196	\$ -	\$ -	
11 Database and Clearinghouse for Missing Persons	Compliant	\$ -	\$ 1,086,728	\$ 2,021,269	\$ -	\$ -	
12 Border Security	Compliant	\$ -	\$ 12,026	\$ 11,016	\$ -	\$ -	
13 Border Security - Aircraft Operations	Compliant	\$ -	\$ 1,201,932	\$ 1,101,000	\$ -	\$ -	
14 Local Border Security	Compliant	\$ -	\$ 14,556,773	\$ 25,545,499	\$ -	\$ -	
15 Tactical Marine Unit	Compliant	\$ -	\$ 35,702	\$ 200,453	\$ -	\$ -	
16 Traffic Enforcement	Compliant	\$ -	\$ 8,810,542	\$ 1,507	\$ -	\$ -	
21 Emergency Preparedness	Compliant	\$ -	\$ 968,364	\$ 1,645,803	\$ -	\$ -	
22 Fire Management Assistance	Compliant	\$ -	\$ 7,162	\$ 12,075	\$ -	\$ -	
24 Response Coordination	Compliant	\$ -	\$ 183,833	\$ 551,396	\$ -	\$ -	
25 Recovery and Mitigation	Compliant	\$ -	\$ 1,101,917	\$ 2,072,198	\$ -	\$ -	
26 State Operations Center	Compliant	\$ -	\$ 703	\$ 99,651	\$ -	\$ -	
27 Crime Laboratory Services	Compliant	\$ -	\$ 12,521,331	\$ 20,380,906	\$ -	\$ -	
28 Crime Records Services	Compliant	\$ -	\$ 1,682,989	\$ 2,933,634	\$ -	\$ -	
29 Sex Offender Registration Database	Compliant	\$ -	\$ -	\$ 9,672	\$ -	\$ -	
32 Driving and Motor Vehicle Safety	Compliant	\$ -	\$ 22,779	\$ -	\$ -	\$ -	
33 Driver License Services	Compliant	\$ 167,260	\$ -	\$ -	\$ -	\$ -	

34	Regulatory Service Issuance	Compliant	\$ -	\$ 10,073,815	\$ 15,524,738	\$ -	\$ -
35	Regulatory Services Modernization	Compliant	\$ -	\$ 4,916,698	\$ 9,427,405	\$ -	\$ -
36	Regulatory Service Compliance	Compliant	\$ -	\$ 16,078,633	\$ 29,409,805	\$ -	\$ -
	Facilities Management	Compliant	\$ -	\$ 714,163	\$ 94,756	\$ -	\$ -
	Headquarters Administration	Compliant	\$ -	\$ 1,020,104	\$ 1,830,965	\$ -	\$ -
	Information Technology	Compliant	\$ -	\$ 237,089	\$ 249,150	\$ -	\$ -
	Safety Education	Compliant	\$ -	\$ 3,839,125	\$ -	\$ -	\$ -
	Repair or Rehabilitation of Buildings and Facilities	Compliant	\$ 5,200,000	\$ 2,123,002	\$ 6,319,279	\$ -	\$ -
	Regional Administration	Compliant	\$ -	\$ -	\$ 51,702	\$ -	\$ -
<b>Total, GR Dedicated - Operators and Chauffeurs License Account</b>				<b>\$ 82,231,091</b>	<b>\$ 120,975,085</b>	<b>\$ -</b>	<b>\$ -</b>

Recommendations include no GR-D Fund 099 for the 2016-17 biennium as the result of an insufficient fund balance.

2 **Account:** GR Dedicated - Motorcycle Education Account No. 501  
**Legal Cite(s):** TRANSPORTATION CODE, TITLE 7, SUBTITLE G  
**Authorized Use:** Money deposited to the credit of the Motorcycle Education Fund Account may be used only to defray the cost of administering  
**Revenue Source:** Five dollars of each fee collected for a motorcycle license or additional authority to operate a motorcycle with a vehicle or

Program(s) Funded	In Compliance with Authorized Use?	1st Full Year Appropriated	2010-11 Expended	2012-13 Expended	2014-15 Est/Budg	2016-17 SB 2 - Intro	Comments
32 Driving and Motor Vehicle Safety	Compliant	\$ 2,062,500	\$ -	\$ -	\$ -	\$ 4,125,000	Recommendation to use this fund for the 2016-17 biennium to spare General Revenue Fund 01 in the Fund 06 swap.
<b>Total, GR Dedicated - Motorcycle Education Account No. 501</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,125,000</b>	

3 **Account:** GR Dedicated - Breath Alcohol Testing Account No. 5013  
**Legal Cite(s):** TX. LOC. GOV'T CODE ANN. §133.102; Code of Criminal Procedure, Section 102.016  
**Authorized Use:** Funds may be appropriated from the account to the Department of Public Safety for the implementation, administration, and  
**Revenue Source:** Fees paid by convicted persons are distributed to a variety of accounts, including the Breath Alcohol Testing Account (.5507)

Program(s) Funded	In Compliance with Authorized Use?	1st Full Year Appropriated	2010-11 Expended	2012-13 Expended	2014-15 Est/Budg	2016-17 SB 2 - Intro	Comments
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16	Traffic Enforcement	Compliant	\$ 1,512,500	\$ -	\$ -	\$ -	\$ 3,025,000	Recommendation to use this fund for the 2016-17 biennium to spare General Revenue Fund 01 in the Fund 06 swap.
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**Total, GR Dedicated - Breath Alcohol Testing Account No. 5013**      **\$ -**      **\$ -**      **\$ -**      **\$ 3,025,000**

**4 Account: State Highway Fund 06**  
**Legal Cite(s):** TEXAS CONSTITUTION, ARTICLE 3, SECTION 49-n; TEXAS TRANSPORTATION CODE; CODE OF CRIMINAL  
**Authorized Use:** To fund highway improvement projects and the Texas Highway Patrol.  
**Revenue Source:** Revenues from the State Historical Markers Guide; filing fees in restitution lien cases where property was damaged while a

Program(s) Funded	In Compliance with Authorized Use?	1st Full Year Appropriated	2010-11 Expended	2012-13 Expended	2014-15 Est/Budg	2016-17 SB 2 - Intro	Comments
1 Organized Crime	Noncompliant	\$ 6,754,755	\$ 65,010,063	\$ 20,694,317	\$ 29,142,643	\$ -	
2 Criminal Interdiction	Noncompliant	\$ -	\$ 5,682,757	\$ 6,179,235	\$ 2,487,555	\$ -	This program could indirectly meet the Constitutional purpose of Fund 06 as the Highway Patrol enforce laws intended to keep highways safe.
3 Criminal Interdiction - Aircraft Operations	Noncompliant	\$ 1,664,705	\$ 12,171,990	\$ 15,940,175	\$ 8,376,864	\$ -	
4 Counterterrorism	Noncompliant	\$ -	\$ 200,466	\$ 148,613	\$ 90,119	\$ -	
5 Intelligence	Noncompliant	\$ -	\$ 4,375,915	\$ 4,645,459	\$ 197,394	\$ -	
6 Joint Crime Information Center	Noncompliant	\$ -	\$ 6,104,763	\$ 6,682,344	\$ 91,058	\$ -	
7 Polygraph	Noncompliant	\$ -	\$ 2,742,304	\$ 2,763,195	\$ 950,510	\$ -	
8 Security Programs	Noncompliant	\$ -	\$ 41,597,727	\$ 40,050,818	\$ 15,049,077	\$ -	
9 Criminal Investigations (Rangers)	Compliant	\$ -	\$ 38,485,951	\$ 41,888,946	\$ 22,106,764	\$ -	Considered compliant because the Texas Rangers are administered through the Texas Highway Patrol.
10 Special Weapons and Tactics	Noncompliant	\$ -	\$ 2,235,683	\$ 3,406,009	\$ 2,286,561	\$ -	
11 Database and Clearinghouse for Missing Persons	Noncompliant	\$ -	\$ 943,706	\$ 141,844	\$ 1,196	\$ -	
12 Border Security	Noncompliant	\$ -	\$ 10,689,909	\$ 11,225,858	\$ 11,595,408	\$ -	
13 Border Security Aircraft Operations	Noncompliant	\$ -	\$ 21,106,039	\$ 8,362,967	\$ 3,672,903	\$ -	
14 Local Border Security	Noncompliant	\$ -	\$ 16,524,609	\$ 2,076,118	\$ 2,912,359	\$ -	
15 Tactical Marine Unit	Compliant	\$ -	\$ 4,641,729	\$ 2,935,205	\$ 809,082	\$ -	Considered compliant because the TMU is operated by the Texas Highway Patrol.
16 Traffic Enforcement	Compliant	\$ 324,269	\$ 270,685,521	\$ 299,807,773	\$ 347,263,906	\$ -	Considered compliant because traffic enforcement is the primary function of the Texas Highway Patrol.

17	Safety Education	Qualified	\$ 1,255,829	\$ -	\$ 4,076,904	\$ 5,001,207	\$ -	-	This program could indirectly meet the Constitutional purpose of Fund 06 as the Highway Patrol enforce laws intended to keep highways safe.
18	Commercial Vehicle Enforcement	Compliant	\$ 5,207,155	\$ 65,264,479	\$ 58,118,799	\$ 79,204,041	\$ -	-	
19	Motor Carrier Bureau	Noncompliant	\$ -	\$ 4,443,934	\$ 5,848,468	\$ 8,472,259	\$ -	-	
20	Public Safety Communications	Qualified	\$ 5,644,023	\$ 22,531,437	\$ 27,186,955	\$ 26,621,885	\$ -	-	This program could indirectly meet the
21	Emergency Preparedness	Noncompliant	\$ -	\$ 97,513	\$ 209,698	\$ 837,804	\$ -	-	
24	Response Coordination	Noncompliant	\$ -	\$ -	\$ -	\$ 58,507	\$ -	-	
25	Recovery & Mitigation (TDEM)	Noncompliant	\$ -	\$ 40,650,837	\$ -	\$ 1,760	\$ -	-	
26	State Operations Center	Noncompliant	\$ -	\$ -	\$ 501,108	\$ 642	\$ -	-	
27	Crime Laboratory Services	Noncompliant	\$ 5,020,067	\$ 19,326,369	\$ 13,635,422	\$ 1,356,907	\$ -	-	
28	Crime Records Service	Noncompliant	\$ -	\$ 24,302,801	\$ 19,480,806	\$ 1,000,477	\$ -	-	
29	Sex Offender Registration Database	Noncompliant	\$ -	\$ 2,083,787	\$ 688,304	\$ 327,850	\$ -	-	
30	Victim Services	Noncompliant	\$ -	\$ -	\$ 717,033	\$ 551,118	\$ -	-	
31	Driver License Services	Qualified	\$ -	\$ 54,438,667	\$ 40,044,339	\$ 77,449,410	\$ -	-	This program could indirectly meet the Constitutional purpose of Fund 06 as the Highway Patrol man driver license offices and enforce driver license related laws.
32	Driving and Motor Vehicle Safety	Qualified	\$ -	\$ 87,106,984	\$ 102,903,699	\$ 115,660,649	\$ -	-	This program could indirectly meet the Constitutional purpose of Fund 06 as the Highway Patrol enforce driving and motor vehicle related laws.
33	Driver License Improvement Plan	Qualified	\$ -	\$ -	\$ 35,478,606	\$ 15,312,407	\$ -	-	This program could indirectly meet the Constitutional purpose of Fund 06 as the Highway Patrol man driver license offices and enforce driver license related laws.
34	Regulatory Service Issuance	Noncompliant	\$ -	\$ -	\$ 1,218	\$ 338,884	\$ -	-	
35	Regulatory Service Modernization	Noncompliant	\$ -	\$ -	\$ 60,806	\$ 356,690	\$ -	-	
36	Regulatory Service Compliance	Noncompliant	\$ -	\$ -	\$ 2,292,336	\$ 1,043,892	\$ -	-	
42	Training Academy and Development	Qualified	\$ -	\$ 16,056,293	\$ 19,000,456	\$ 31,316,050	\$ -	-	This program could indirectly meet the Constitutional purpose of Fund 06 as this program provides training for the Texas Highway Patrol
	Facilities Management	Noncompliant	\$ -	\$ 9,343,857	\$ 358,104	\$ -	\$ -	-	
	Fleet Operations	Qualified	\$ -	\$ 3,600,116	\$ 3,982,298	\$ 4,940,912	\$ -	-	This program could indirectly meet the Constitutional purpose of Fund 06 as the Texas Highway Patrol uses vehicles in this program to accomplish its functions.
	Headquarters Administration	Noncompliant	\$ -	\$ 29,052,125	\$ 32,195,577	\$ 15,470,266	\$ -	-	
	Human Capital Management	Noncompliant	\$ -	\$ 4,009,949	\$ 4,309,853	\$ 5,158,555	\$ -	-	
	Information Technology	Noncompliant	\$ -	\$ 38,370,423	\$ 35,629,487	\$ 30,770,257	\$ -	-	
	Regional Administration	Noncompliant	\$ 5,481,870	\$ 26,323,751	\$ 27,898,826	\$ 12,410,483	\$ -	-	

Repair or Rehabilitation of Buildings and Facilities	Noncompliant	\$ -	\$ 10,116,576	\$ 16,290,489	\$ 911,013	\$ -
Financial Management	Noncompliant	\$ 6,310,871	\$ 12,007,820	\$ 11,301,939	\$ 12,227,653	
<b>Total, State Highway Fund 06</b>			<b>\$ 972,326,850</b>	<b>\$ 929,160,406</b>	<b>\$ 893,834,977</b>	
<b>Total</b>			<b><u>\$1,054,557,941</u></b>	<b><u>\$ 1,050,135,491</u></b>	<b><u>\$ 893,834,977</u></b>	<b><u>\$ 7,150,000</u></b>

- DPS has historically used Fund 06 for purposes that do not meet the Constitutional purpose of the fund. While DPS has deliberately requested and willingly used Fund 06 for a variety of potentially noncompliant purposes, prior legislatures have been willing to appropriate Fund 06 for these purposes and have come to rely on Fund 06 to fund numerous items within DPS. FY 2016-17 recommendations include no Fund 06 for DPS.



**Strategic Fiscal Review 2016-17  
Texas Department of Public Safety 405**

**Schedule 5: Program Summary  
All 2016-17 funding recommendations reflect HB 1 as Introduced**

**Programs: Organized Crime / Criminal Investigations (Texas Ranger Division)** **Agency Ranking**  
**1 & 9**  
**out of 47**

The Organized Crime program identifies and eliminates high-threat organizations engaging in illegal drug trafficking and property crimes through investigation and prosecution.

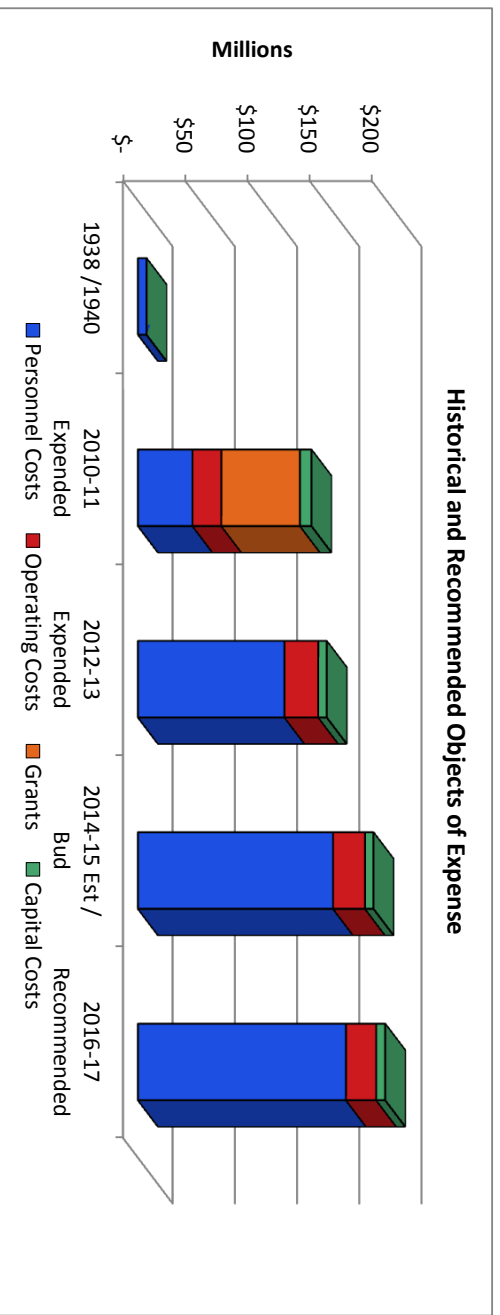
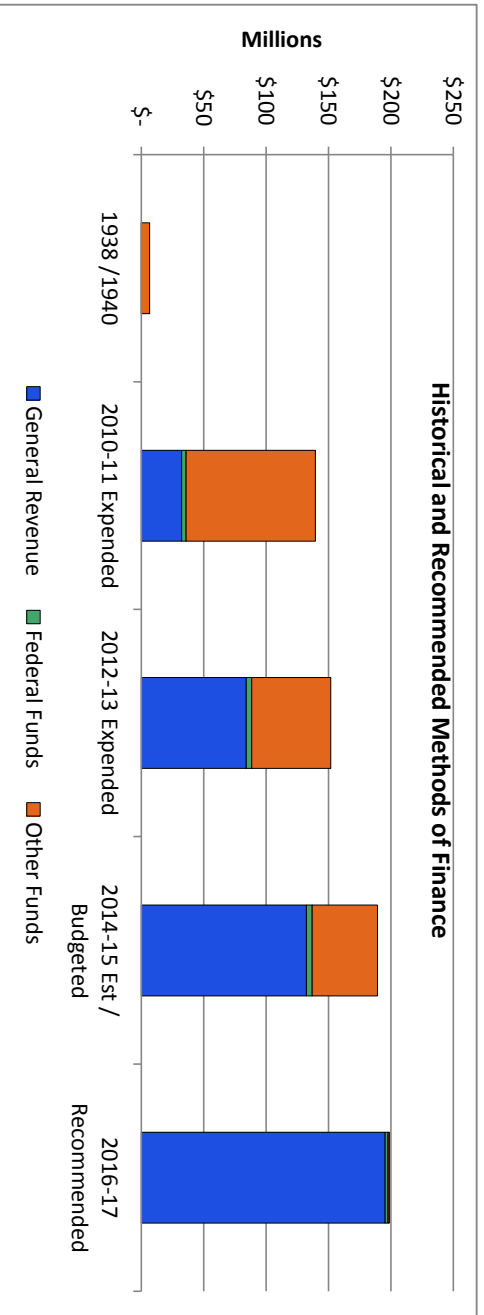
The Texas Ranger program is the criminal investigative branch of the Department for major crime, public corruption and cold case investigations.

Combined these programs constitute the core of the agency's criminal investigations functions. Both divisions work in close coordination with each other and with other divisions within the Department, as well as with other law enforcement partners at the federal, state and local levels.

**Legal Authority:** Government Code, Sections 411.0131, 411.0207, 411.002 and 411.021  
U.S. Code Title 21, Section 881(e)(3)

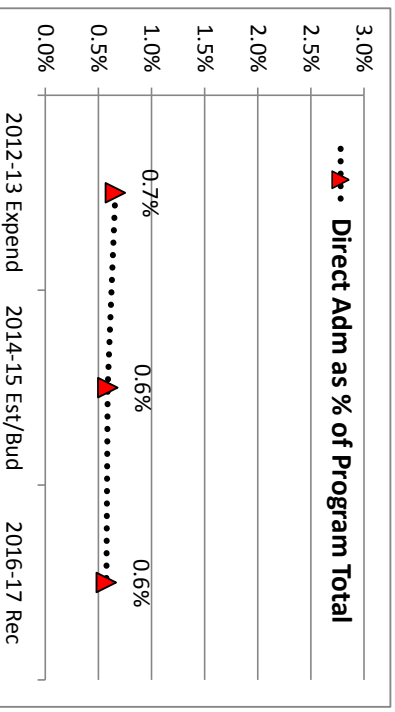
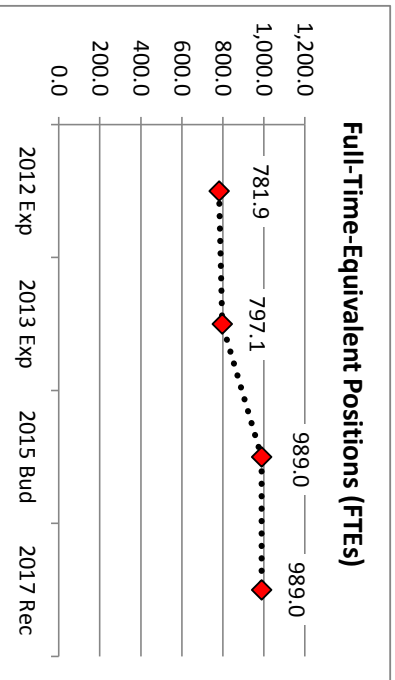
<b>Year Created</b>	1938, 1940	<b>Performance and/or Authority</b>	Strong	<b>Operational Issue:</b> No	<b>Outsourced Services Revenue Supported</b>	Cannot be determined	
<b>Centrality</b>	Strong	<b>Service Area</b>	Statewide	<b>State Service Category</b>	Legal Services & Law Enforcement	<b>Use of Dedicated Funds</b>	Qualified

Major Activities	2014-15 Estimated	2015 FTEs	2016-17 Recommend	2017 FTEs	% of Total
<b>Organized Crime Program:</b>					
Direct Administration	\$ 1,075,185	699.0	\$ 1,086,485	699.0	70.7%
Criminal Enterprise Investigations	130,442,493	5.0	135,748,271	5.0	0.5%
<i>Subtotal, Organized Crime:</i>	<i>\$ 131,517,678</i>	<i>704.0</i>	<i>\$ 136,834,756</i>	<i>704.0</i>	
<b>Texas Rangers Program:</b>					
Criminal Investigations	\$ 49,141,305	285.0	\$ 52,535,780	285.0	28.8%
Radio System Program	42,815	0.0	52,298	0.0	0.0%
Routine Operations	889,959	0.0	890,358	0.0	0.0%
Criminal Investigations Division	7,734,913	0.0	8,416,920	0.0	0.0%
<i>Subtotal, Texas Rangers:</i>	<i>\$ 57,808,992</i>	<i>285.0</i>	<i>\$ 61,895,356</i>	<i>285.0</i>	
<b>TOTAL</b>	<b>\$ 189,326,670</b>	<b>989.0</b>	<b>\$ 198,730,112</b>	<b>989.0</b>	<b>100.0%</b>



# Programs: Organized Crime / Criminal Investigations (Texas Ranger Division)

Agency Ranking  
1 & 9 out of 47



## Summary of Recommendations

- 1 Recommendations increase All Funds by \$5.3 million for the Organized Crime program and \$4.1 million for the Criminal Investigations (Texas Ranger Division) program to reflect the agency's requested allocation of baseline funding.

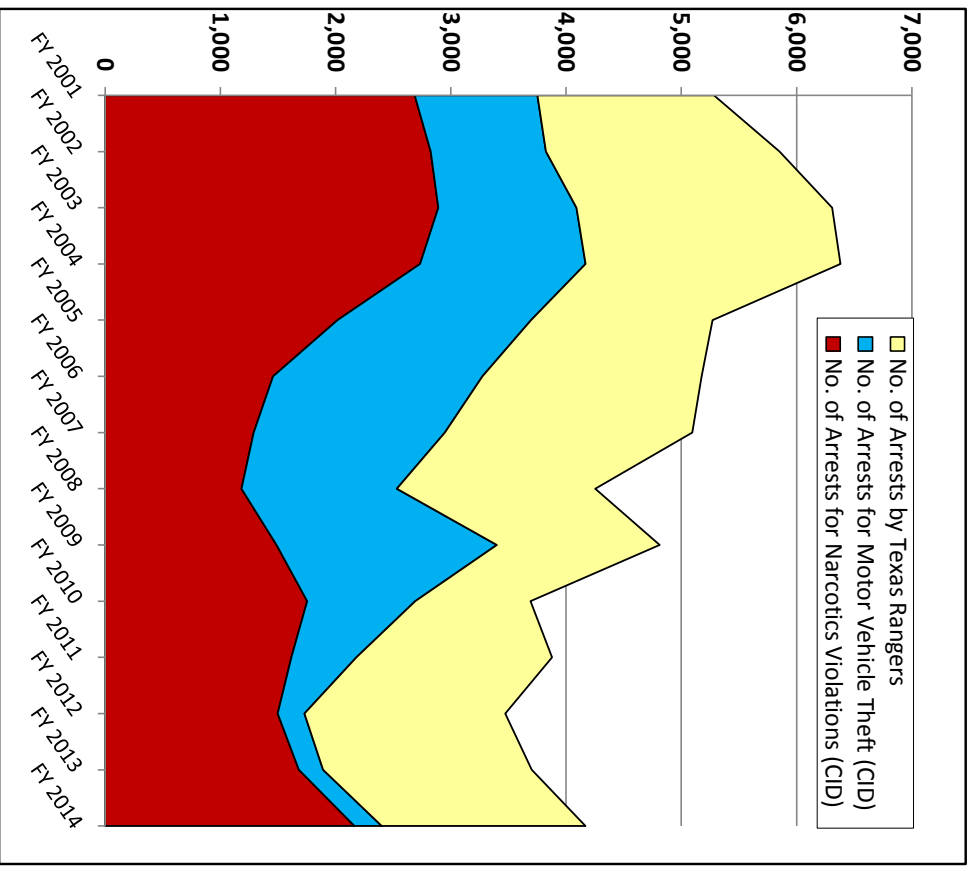
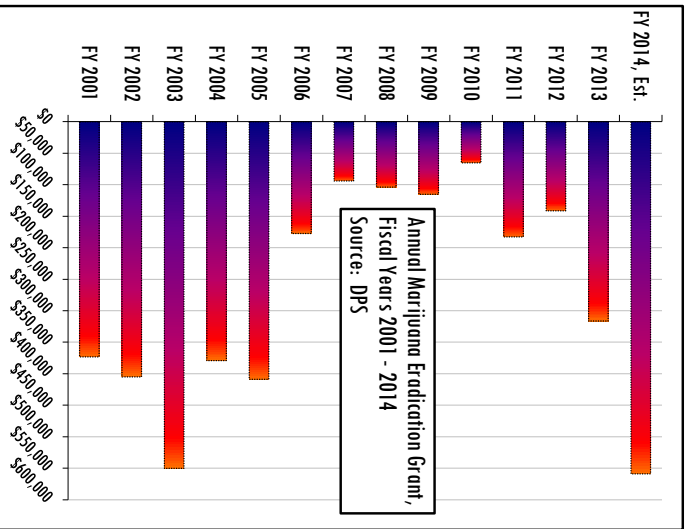
Both these programs account for all the funding contained in Strategy A.1.1, Organized Crime (\$136.8 million and 705.0 FTEs) and most of the funding contained in Strategy A.3.1, Special Investigations (\$62.7 million and 304.0 FTEs). These strategies fund the agency's two main criminal investigative units - the Texas Rangers and the Criminal Investigative Division.

## Summary of Fiscal and Policy Issues

- 1 **Organized Crime Program** - The current Organized Crime program was established in 2011 and is contained in Criminal Investigations Division (CID), which works with local, state, and federal agencies across the nation to identify, investigate, disrupt and dismantle transnational gangs, major drug and human trafficking organizations, and high-threat criminal organizations. CID works closely with local and federal prosecutors and coordinates investigative activity with local and federal law enforcement agencies working along the Texas-Mexico Border with the intent of bringing many criminals to justice for crimes that include drug/human trafficking, theft, and other violent offenses.
- 2 **Criminal Investigations (Texas Rangers) Program** - The Texas Rangers were one of the two core functions specifically identified in the establishment of DPS in 1935 (the other is the Texas Highway Patrol). The Texas Ranger Division currently has an authorized strength of 150 Texas Rangers for the entire state. These Texas Rangers are allocated among the Division's six regional companies (Houston, Garland, Lubbock, Westaco, El Paso and Waco), each composed of 20-27 Rangers. While Texas Rangers fulfill the role of a state-level bureau of investigation, the modern duties of a Texas Ranger are much more varied. They primarily include conducting criminal and special investigations, apprehending wanted felons, suppressing major disturbances, protection of life and property, and rendering assistance to local law enforcement officials in suppressing crime and violence.

Texas Rangers also supervise certain programs and operations, such as border security enforcement operations (e.g., Ranger Reconnaissance Teams), public corruption investigations, cold case investigations and the agency's Special Weapons and Tactics team (SWAT). Texas Rangers may also be required to provide protection for elected officials. Texas Rangers also provide Forensic Hypnotists to assist investigations: in fiscal year 2013 Rangers conducted 13 hypnosis sessions.

- 3 **Domestic Marijuana Eradication** - the agency's CID has participated in the federal government's Domestic Marijuana Eradication Program since 1987. The federal government has provided DPS with grants (see below) under this program to provide direct support to state and local cannabis eradication efforts.



**Programs: Organized Crime / Criminal Investigations (Texas Ranger Division)**

Agency Ranking **1 & 9**  
out of 47

**Performance and / or Operational Issues**

1 None.

**Recommended Statutory Changes for Program Improvement**

1 None.

Funding Alternatives Not Included in the Recommendations	Change from Recommendations				
	GR-Related	All Funds	2017 FTEs		
<p><b>1 Funding Decrease of 10 Percent</b> - A 10 percent reduction in baseline funding for the Organized Crime program would result in the decrease of approximately 89 commissioned law enforcement officer FTEs. The decrease in FTEs would adversely impact the Department's ability to address the rise in gang violence and organized crime activities associated with the drug and human trafficking trade that currently challenges existing resources.</p> <p>A 10 percent reduction in baseline funding for the Criminal Investigations (Texas Rangers) program would significantly impede the agency's ability to effectively conduct criminal and corruption investigations. The reduction would require the elimination of 28 FTEs, including Texas Rangers and Criminal Investigations Agents, and the agency would have to forgo advances in technology.</p>	\$	(18,604,317)	\$	(18,604,317)	(117.0)
<p><b>2 Funding Increase of 10 Percent</b> - A 10 percent increase in baseline funding for the Organized Crime program would result in the increase of approximately 89 commissioned law enforcement officer FTEs. The increase in FTEs would improve the agency's ability to address the rise in gang violence and organized crime activities associated with the drug and human trafficking trade.</p> <p>A 10 percent increase in baseline funding for the Criminal Investigations (Texas Rangers) program would allow the agency to upgrade the forensic investigation capability by adding new equipment and technology resources to support those critical functions. In addition, 28 FTEs, including Texas Rangers and Criminal Investigations Agents, could be added to DPS, which would provide better statewide coverage and allow a faster response to requests for assistance in conducting criminal investigations.</p>	\$	18,604,317	\$	18,604,317	117.0
<p><b>3 Exceptional Item Requests</b> - agency is requesting additional funding and FTEs through inclusion in the following Exceptional Item requests:</p> <p><b>Operation Strong Safety (Texas Rangers)</b> - \$19.7 million to establish regional SWAT teams and hire 56.3 FTEs; \$3.8 million to convert 18 "floater" positions currently staffing the Border Security Operations Center into permanent staff; and \$1.3 million to establish an explosives ordnance disposal unit and hire 3.4 FTEs.</p> <p><b>Operation Rescue (Texas Rangers)</b> - \$2.9 million to add six Texas Rangers to reflect population growth; \$2.3 million to purchase six fully-equipped mobile crime scene response vehicles; \$0.8 million to fund a Lieutenant position in the Missing and Exploited Children Unit and 120 days per year of travel expenses; and \$0.3 million to purchase six Leica P20 Laser Scanners.</p> <p><b>Operation Rescue (CID)</b> - \$8.2 million to hire 20 CID agents and seven support staff.</p> <p><b>Anti-Gang Initiative (CID)</b> - \$7.7 million to add Texas Anti-Gang centers to El Paso, San Antonio and Dallas to the TAGs already in existence in Houston and Westlaco.</p>	\$	24,806,762	\$	24,806,762	80.0
	\$	6,256,585	\$	6,256,585	8.9
	\$	8,218,779	\$	8,218,779	27.0
	\$	7,698,000	\$	7,698,000	0.0

**Strategic Fiscal Review 2016-17**  
**Texas Department of Public Safety 405**

**Schedule 5: Program Summary**  
**All 2016-17 funding recommendations reflect HB 1 as Introduced**

**Program: Traffic Enforcement**

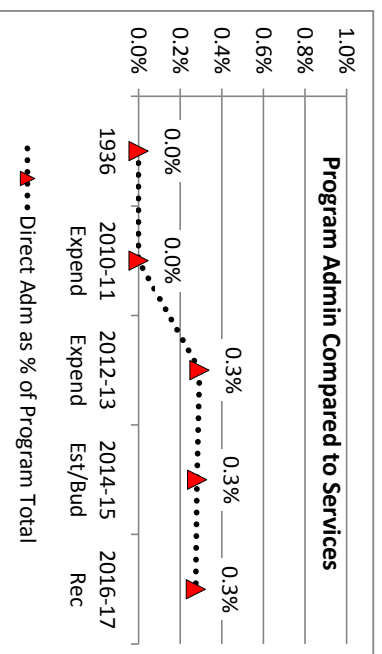
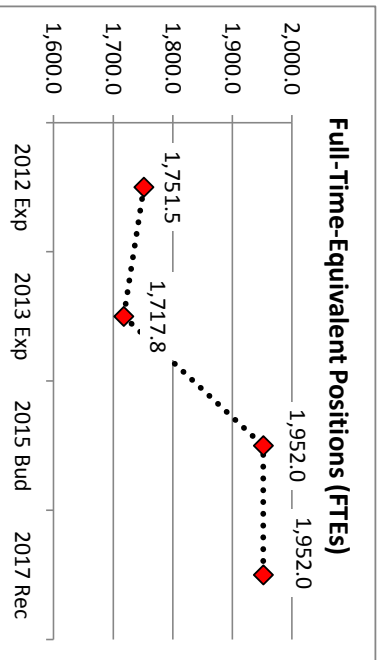
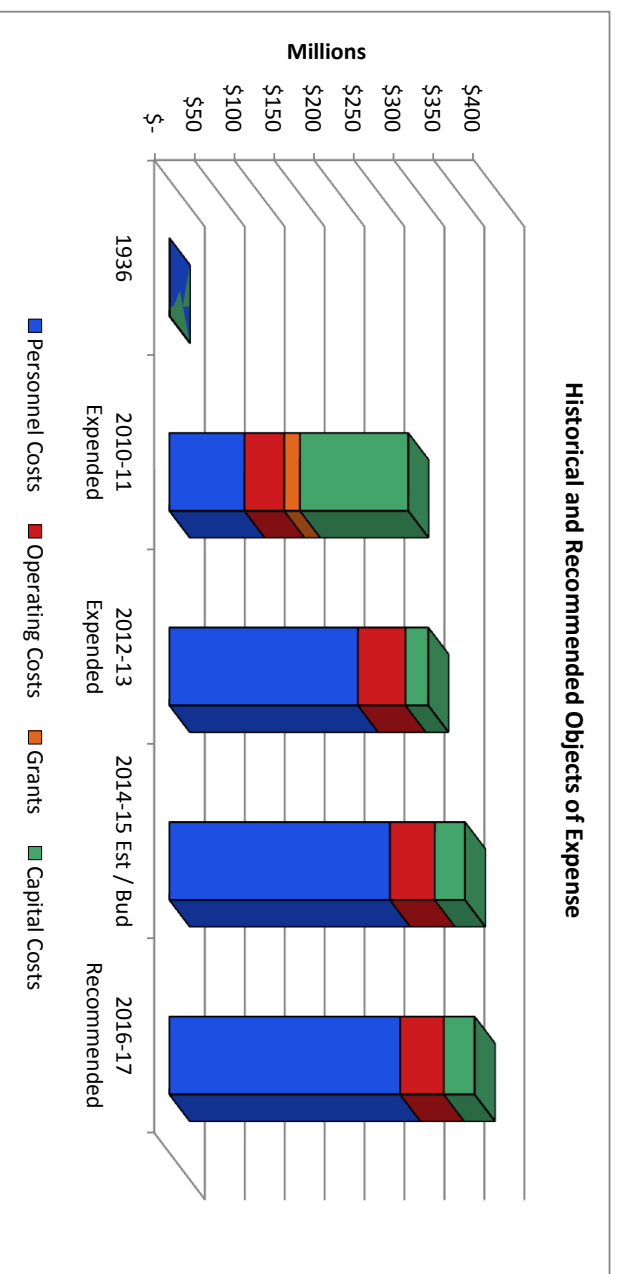
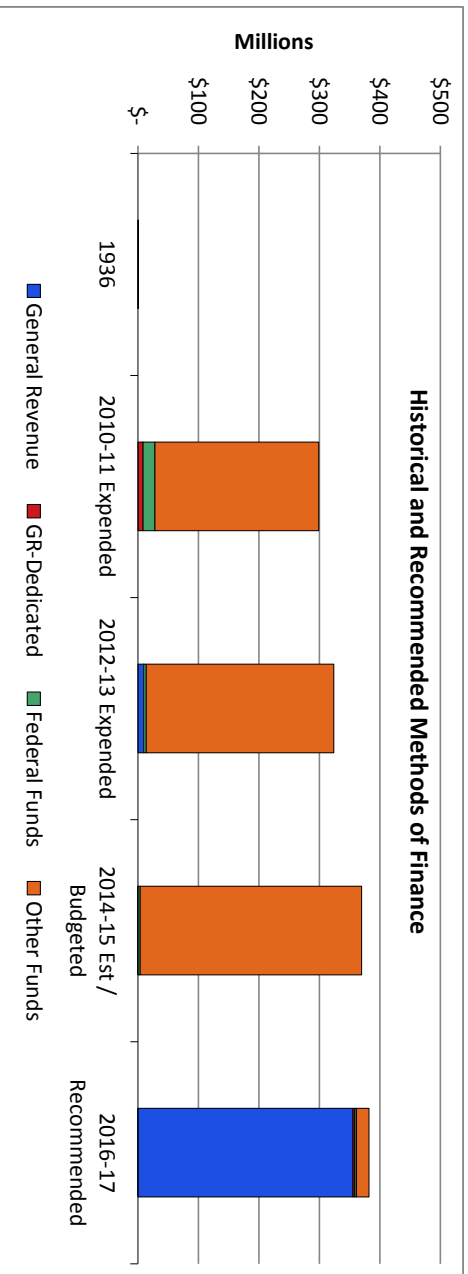
Agency  
 Ranking **16**  
 out of 47

Commissioned officers in the Texas Highway Patrol are responsible for patrolling Texas roadways to ensure the safety of the motoring public and encourage voluntary compliance with all laws through high visibility patrol and traffic enforcement. Texas Highway Patrol troopers also provide police traffic supervision, public safety education, and disaster response.

**Legal Authority:** Government Code, Sec. 4111.004  
 Federal Seized Controlled Substance Act (U.S. Code Title 21, Sec. 881 (e)(3))

<b>Year Created</b>	1936	<b>Performance and/or Authority</b>	Strong	<b>Operational Issue Yes</b>		<b>Outsourced Services Revenue Supported</b>	Cannot be determined
<b>Centrality</b>	Strong	<b>Service Area</b>	Statewide	<b>State Service Category</b>	Legal Services & Law Enforcement	<b>Use of Dedicated Funds</b>	No
							Compliant

Major Activities	2014-15 Estimated	2015 FTEs	2016-17 Recommend	2017 FTEs	% of Total
Direct Administration	\$ 1,041,177	5.0	\$ 1,051,396	4.0	0.3%
Traffic Enforcement	356,281,080	1,947.0	380,942,966	1,948.0	99.7%
	-	0.0	-	0.0	0.0%
	-	0.0	-	0.0	0.0%
<b>TOTAL</b>	<b>\$ 357,322,257</b>	<b>1,952.0</b>	<b>\$ 381,994,362</b>	<b>1,952.0</b>	<b>99.7%</b>



**Program: Traffic Enforcement**

Agency Ranking **16** out of **47**

**Summary of Recommendations**

1 Recommendations replace all baseline State Highway Fund 06 (\$358,542,259) with an equal amount of General Revenue-Related Funds. However, Government Code § 411.013(c) requires that "appropriations for the Texas Highway Patrol must be made from the state highway fund." To align the recommended elimination of all Fund 06 in DPS, a statutory revision could be considered.

**Summary of Fiscal and Policy Issues**

1 **Fuels** - Included in the recommendations is \$56.4 million for fuels and lubricants. The Texas Highway Patrol consumes significant quantities of motor fuels and lubricants in the course of conducting patrol operations. DPS notes there are over 300,000 miles of roadways in Texas. DPS states its vehicles drove 91,108,018 miles in fiscal year 2012, 92,964,425 miles in fiscal year 2013 and 94,481,766 miles in fiscal year 2014. Further, DPS troopers spend an average of 1.4 million hours per year on routine patrol. As a result of the mileage entailed in conducting patrols, agency requests and state appropriations for fuel have increased over time from \$7.3 million to the recommended \$54.6 million for 2016-17. **Note, the agency assumed a per-gallon fuel cost of about \$3.70 when calculating its \$56.4 million baseline request for fuels and lubricants. As such, lowered fuel costs, if sustained into the 2016-17 biennium, may result in spared costs for the agency and/or the state, to the degree the full \$56.4 million recommended for fuels and lubricants is not needed by the agency.**

2 **Vehicle Replacement** - Recommendations include \$47.4 million in General Revenue to replace 1,580 vehicles assuming a replacement schedule at 140,000 miles. The Eighty-third Legislature provided \$47.4 million for vehicle replacement.

DPS is also requesting \$79.3 million across several Exceptional Items to replace or add 2,091 additional vehicles. As of September, 2014 the DPS vehicle fleet was comprised of 3,431 vehicles (see supplementary graphic on the right). If the 1,580 vehicles recommended in the baseline are added to these 2,091 additional vehicles, then the agency would potentially have sufficient funds to replace its entire current vehicle fleet and still be able to acquire additional vehicles, i.e., expand the fleet.



**Performance and / or Operational Issues**

- 1 **Compensation from Tollway Systems** - An internal audit in August 2011 found the agency did not receive full compensation for the direct costs associated with providing traffic enforcement services for the North Texas Tollway Authority (NTTA). The agency's new contract with NTTA includes direct costs as a separate line item.
- 2 **Audit of Fuel Consumption** - An internal audit in April 2012 on fuel consumption found that the agency had not designed a control structure that effectively mitigates risks involving fuel consumption, including theft. The audit found "critical controls are missing altogether and the limited controls that do exist are compliance-oriented rather than risk-driven. Fuel use record keeping is unreliable, lost or stolen fuel credit cards are vulnerable to unauthorized use at virtually any gas station, fuel invoices are paid without a review to assure billing accuracy, bulk fuel cannot be fully accounted for, and neither supervisors nor users are held fully accountable for appropriate fuel use and for adequate fuel use record keeping. These conditions increase the likelihood of undetected fuel billing errors and inappropriate fuel use. Management decision making regarding fuel use and consumption is also impaired."

**Recommended Statutory Changes for Program Improvement**

- 1 To provide legal consistency and method of financing flexibility for the Legislature, amend Government Code § 411.013(c) to remove the requirement that "appropriations for the Texas Highway Patrol must be made from the state highway fund."

**Program: Traffic Enforcement**

Agency Ranking **16**  
out of 47

Change from Recommendations

Funding Alternatives Not Included in the Recommendations	GR-Related	All Funds	2017 FTEs
<p><b>1 Funding Decrease of 20 percent</b> - DPS claims it could lose the ability to fund as many as 410 Trooper positions, thereby reducing the agency's effectiveness in meeting the increased demands upon law enforcement to provide a safer environment for those living in and traveling through Texas. The requirement to protect the highways will fall to a smaller pool of officers.</p>	\$ (71,847,707)	\$ (71,847,707)	(410.0)
<p><b>2 Funding Increase of 20 percent</b> - DPS claims it could increase Troopers and other commissioned officer FTEs by as many as 197 positions, as well as a nominal number of support professionals. This increase in personnel would positively impact and benefit the State of Texas by improving and enhancing the Department's ability to respond to the needs and demands of the growing population. This additional funding could also add more special operations (increase in oil industry production traffic enforcement, operations along border areas related to criminal activity) across the state.</p>	\$ 71,847,707	\$ 71,847,707	215.0
<p><b>3 Operation Save Texas Lives</b> - DPS is requesting an Exceptional Item centering on the Texas Highway Patrol focused on reducing the number of deaths and serious injuries related to vehicle crashes and additional security within the Capitol Complex. Would establish a Highway Operations Center, expand statewide patrol capacity, provide additional patrol vehicles, and upgrade equipment for testing impaired drivers. Includes 172 commissioned officers and 92.1 support staff.</p>	\$ 137,123,235	\$ 137,123,235	264.1

**Strategic Fiscal Review 2016-17  
Texas Department of Public Safety 405**

**Schedule 5: Program Summary  
All 2016-17 funding recommendations reflect HB 1 as Introduced**

**Programs: Commercial Vehicle Enforcement and Motor Carrier Bureau**

Agency Ranking **18 and 19 out of 47**

Commercial Vehicle Enforcement - protects the highways from unnecessary damage, enforces registration laws and protects the rights, privileges, and safety of the general public using the highway system. Enforces size and weight statutes as well as registration statutes applicable to commercial vehicles. Enforces hazardous material regulations, Motor Carrier Safety Regulations, all traffic laws, and criminal statutes. Conducts audits on carriers to determine a carriers' compliance with statute.

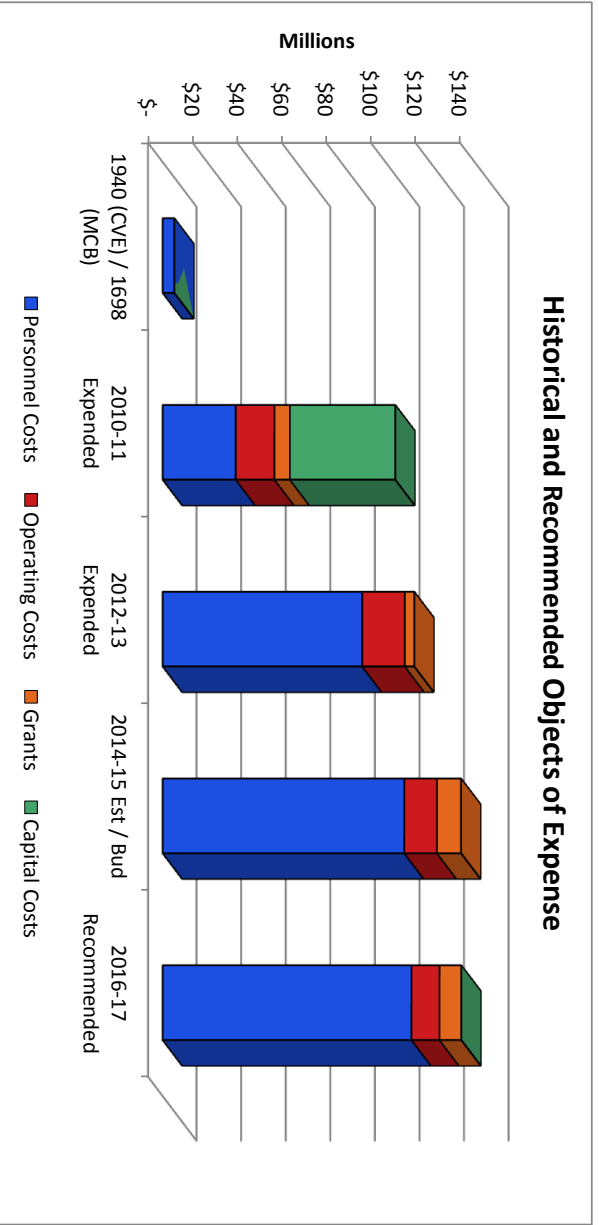
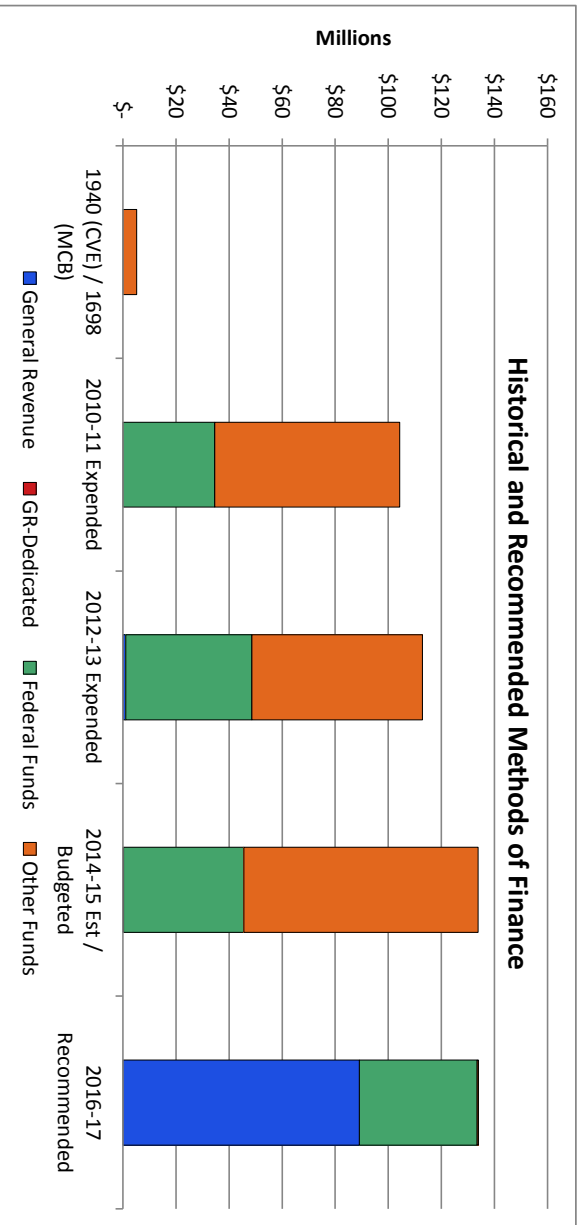
Motor Carrier Bureau - develops statistical data from Commercial Vehicle Enforcement Service activity reports, creates motor carrier safety profiles from this data, transmits inspection and crash data to the Federal Motor Carrier Safety Administration, performs compliance reviews and safety audits on motor carriers operating in Texas, and prepares enforcement cases, assesses administrative penalties on motor carriers for violations of applicable commercial vehicle regulations, and trains individuals on enforcement of Motor Carrier Act regulations.

Together these programs constitute the Commercial Vehicle Enforcement component of the Texas Highway Patrol.

**Legal Authority:** Government Code, Sec. 411.0099  
Transportation Code 644 Government Code 411.002

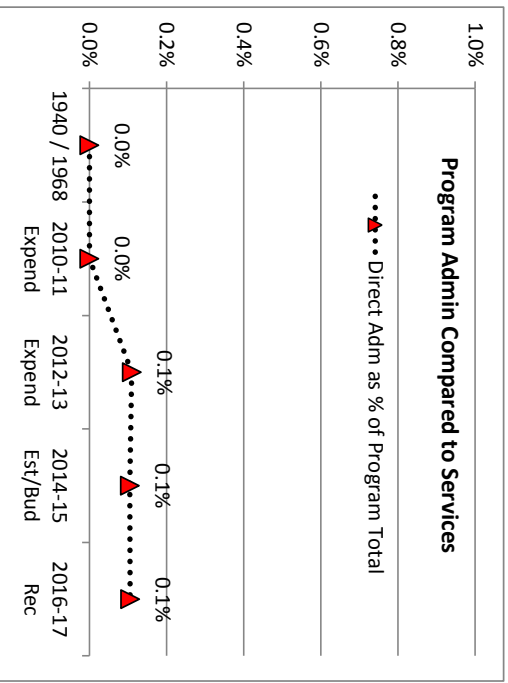
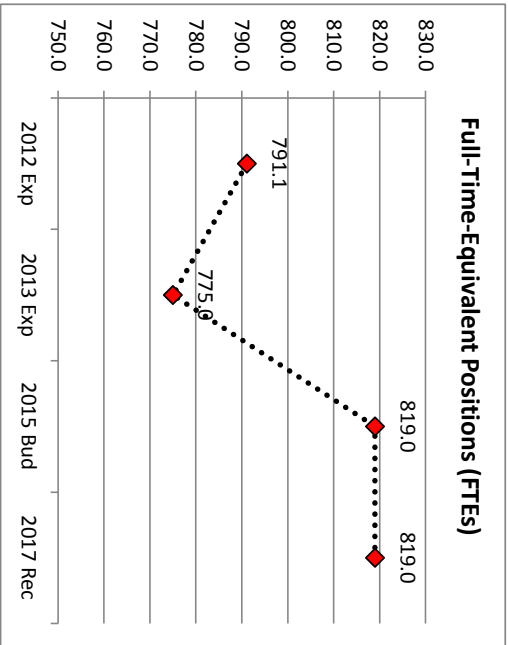
<b>Year Created</b>	1940, 1968	<b>Performance and/or Authority</b>	Strong	<b>Operational Issue</b>	Partial	<b>Outsourced Services</b>	Cannot be determined
<b>Centrality</b>	Strong	<b>Service Area</b>	Statewide	<b>Legal Services &amp; Law Enforcement</b>	Use of Dedicated Funds	<b>Revenue Supported</b>	No
						<b>Compliant</b>	Compliant

Major Activities	2014-15 Estimated	2015 FTEs	2016-17 Recommend	2017 FTEs	% of Total
Direct Administration	\$ 140,652	1.0	\$ 141,697	1.0	0.1%
Commercial Vehicle Enforcement	88,469,955	427.0	88,970,178	427.0	66.4%
Motor Carrier Bureau (Program)	45,288,394	391.0	44,874,010	391.0	33.5%
<b>TOTAL</b>	<b>\$ 133,899,001</b>	<b>819.0</b>	<b>\$ 133,985,885</b>	<b>819.0</b>	<b>100.0%</b>



**Programs: Commercial Vehicle Enforcement and Motor Carrier Bureau**

Agency Ranking **18 and 19 out of 47**



**Summary of Recommendations**

1 Recommendations include \$134.0 million in All Funds and 819.0 FTEs to support the agency's Commercial Vehicle Enforcement portion of the Texas Highway Patrol. This amount is reflected in Strategy 3.2.1, Commercial Vehicle Enforcement. Note, this strategy contains both the Commercial Vehicle Enforcement and the Motor Carrier Bureau program.

**Summary of Fiscal and Policy Issues**

1 **Federal Funding** - Most of the agency's 521,0 federally funded FTEs are concentrated in the Commercial Vehicle Enforcement Service. These FTEs are paid with federal grant awards resulting from Texas aligning its commercial vehicle regulations with federal regulations. The agency adopted the federal government's Motor Carrier Safety Regulations in 1996 and routinely updates the Texas Administrative Code to reflect changes to regulations promulgated by the federal Motor Carrier Safety Administration (FMCSA). The FMCSA has several initiatives that it currently or previously supports with federal grant awards:

**Border Enforcement Grant** - estimated to be \$28.6 million in the 2016-17 biennium. Supports personnel, equipment and operations to inspect international carriers along the Texas/Mexico border. DPS has used these grants to increase and maintain the number of commissioned and noncommissioned Commercial Vehicle Enforcement personnel along the Texas-Mexico border since 2002.

**Motor Carrier Safety Assistance Program Grant** - estimated to be \$14.8 million in the 2016-17 biennium. Supports the State's initiatives related to the enforcement of Motor Carrier Safety Regulations through the partial funding of personnel, equipment and operations.

**New Entrant Program Grant** - no funds from this grant are estimated for the 2016-17 biennium. Supports personnel, equipment and operational costs related to conducting safety assurance investigations of newly registered interstate motor carriers.

**High Priority Grant** - no funds from this grant are estimated for the 2016-17 biennium. Supports innovative technologies or initiatives to improve highway safety.

**Safety Data Improvement Program Grant** - estimated to be \$128,00 in the 2016-17 biennium. Funds projects that improve the accuracy, completeness and timeliness of safety data reported to federal Motor Carrier Management Information System through the Departments Motor Carrier Bureau.

**Performance and Registration Information Systems Management Grant** - no funds from this grant are estimated for the 2016-17 biennium. Supports the joint effort by DPS and the Texas Department of Motor Vehicles (TXDMV) for maintaining carrier registration and enforcement requirements.

2 **Border Security at Ports of Entry** - The agency notes the North American Free Trade Agreement (NAFTA) has created increased demand for law enforcement services specifically directed at commercial vehicle traffic in the Texas-Mexico border region. The agency is charged with the responsibility of ensuring that commercial vehicles entering Texas from Mexico through commercial vehicle ports-of-entry are in compliance with state and federal statutes regarding operation and safety. The agency continues to work closely with the Texas Department of Transportation to design, construct, equip, and staff border safety inspection facilities to meet the increased traffic volumes of commercial vehicles entering Texas.

3 **Oil Boom Traffic** - Beginning in 2008, advances in hydraulic fracturing technology have resulted in the significant growth of drilling throughout Texas with concentrations in West and South Texas. This has resulted in very steep increases in energy sector related traffic. As a result, the agency notes that crash rates have increased dramatically in these areas. Additionally, the increased commercial vehicle traffic has strained the infrastructure of local, state and federal highways and bridges. Since many of these areas are rural, the Commercial Vehicle Enforcement Service has been utilizing surge operations to bring in troopers and inspectors to enhance highway safety. These surge operations are being funded from regular appropriations. See item 3 below in the Funding Alternatives Not Included in the Recommendations for the agency's Exceptional Item request on this topic. Also, for detail on related issues, see the following GEER reports:  
 " *Improve the Operations and State Oversight of Overweight Corridors* "  
 " *Overview of Impacts of Hydraulic Fracturing in Texas* "

**Performance and / or Operational Issues**

1 **Audit of Fuel Consumption** - An internal audit in April 2012 on fuel consumption found that the agency had not designed a control structure that effectively mitigates risks involving fuel consumption, including theft. The audit found "critical controls are missing altogether and the limited controls that do exist are compliance-oriented rather than risk-driven. Fuel use record keeping is unreliable, lost or stolen fuel credit cards are vulnerable to unauthorized use at virtually any gas station, fuel invoices are paid without a review to assure billing accuracy, bulk fuel cannot be fully accounted for, and neither supervisors nor users are held fully accountable for appropriate fuel use and for adequate fuel use record keeping. These conditions increase the likelihood of undetected fuel billing errors and inappropriate fuel use. Management decision making regarding fuel use and consumption is also impaired."



**Programs: Commercial Vehicle Enforcement and Motor Carrier Bureau**

**Recommended Statutory Changes for Program Improvement**

1 None.

Funding Alternatives Not Included in the Recommendations	Change from Recommendations			2017 FTEs
	GR-Related	All Funds		
<p><b>1 Funding Decrease of 20 Percent (CVE Program Only)-</b> agency claims a 20 percent funding reduction could result in the need for the agency to cut as many as 89 Trooper FTEs as well as some associated operating costs, thereby reducing the agency's effectiveness in protecting the highways from unnecessary infrastructure damage, enforcing registration laws and protecting the rights, privileges, and safety of the public on roadways.</p>	\$ (16,122,664)	\$ (16,122,664)		(89.0)
<p><b>2 Funding Increase of 20 Percent (CVE Only) -</b> agency claims a 20 funding increase could add as many as 39 Trooper and other commissioned FTE positions and 3 non-commissioned FTE positions. This increase in personnel will benefit the state of Texas by improving and enhancing the ability of commissioned and non-commissioned personnel to respond to the needs and demands of the growing population, thereby ensuring this program continues to protect the highways from unnecessary damage, enforce registration laws and protect the rights, privileges, and safety of the public.</p>	\$ 16,122,664	\$ 16,122,664		41.0
<p><b>3 Protect State Highway Infrastructure -</b> agency is requesting an Exceptional Item to increase the number of commercial vehicle enforcement troopers and civilian inspectors. Includes 141 commissioned officers, 61.8 Highway Patrol support staff, and 7.0 technology specialists.</p>	\$ 91,735,718	\$ 91,735,718		209.8

**Strategic Fiscal Review 2016-17  
Texas Department of Public Safety 405**

**Schedule 5: Program Summary**

All 2016-17 funding recommendations reflect HB 1 as Introduced

**Program: Disaster Recovery and Hazard Mitigation  
(Texas Division of Emergency Management)**

<b>Agency Ranking</b>	<b>27 out of 47</b>
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Administers and coordinates programs for the state with voluntary agencies, local governments and state agencies to reduce risk from known hazards and promote effective whole community recovery by putting plans, systems, and staff in place to ensure the state can avoid disasters when possible and implement recovery programs efficiently. Focus is on providing assistance after a disaster, notably in administering FEMA disaster grant programs. Also acts to develop the capacity of local communities to create their own plans for recovery and prevention (hazard mitigation) to enable communities to better respond both before and after a disaster strikes.

Specific programmatic tasks include coordinating damage surveys with local, state and federal agencies; preparing disaster declaration requests for the Governor's signature; deploying staff to coordinate the overall recovery process; establishing eligible applicants for public assistance, fire management assistance and hazard mitigation grant programs; collecting sub-grant application information; collecting documentation related to eligible costs; coordinating sub-grant awards related to those costs and pass-through federal grant funding for the reimbursement of eligible costs. For major disasters, state and federal recovery staff are collocated in a Joint Field Office.

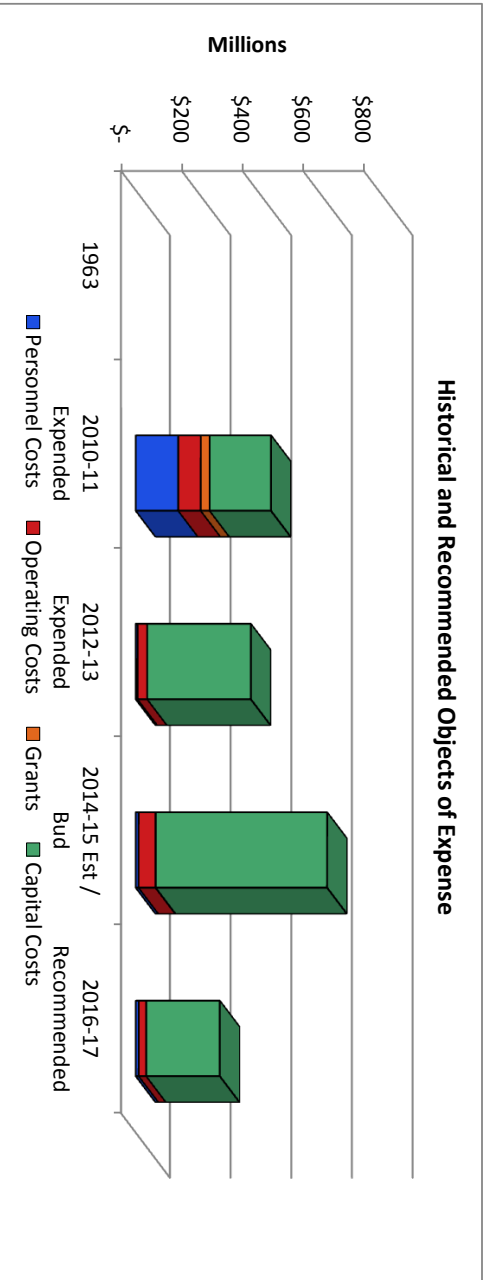
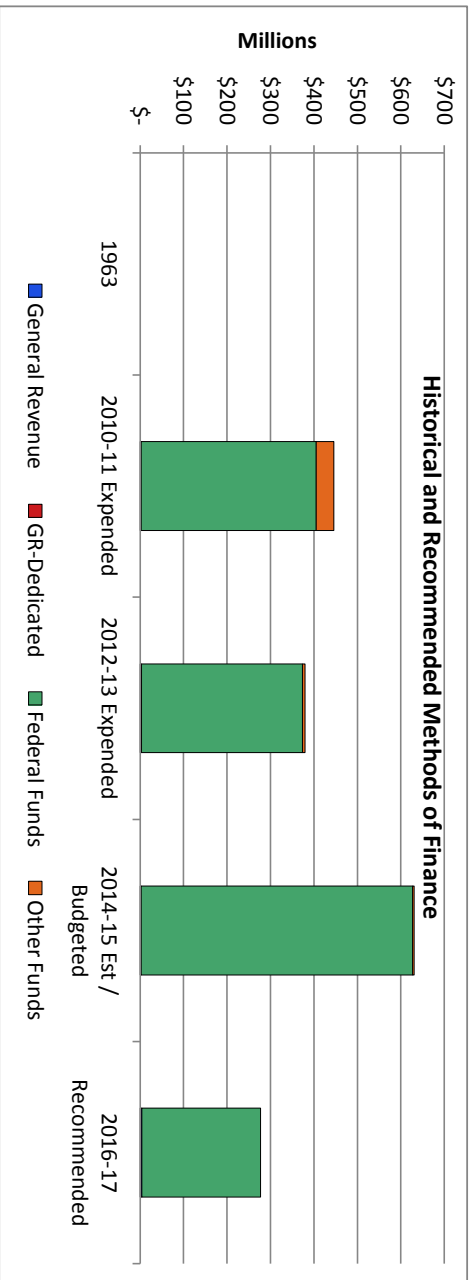
**Legal Authority:**

Texas Government Code, Sections 418.002, 418.021, 418.022, 418.023, 418.024, 418.041, 418.044, 418.071, 418.073, 418.074, 418.121, 418.123

37 Texas Administrative Code, Sections 7.41-.45  
Federal Stafford Act  
Code of Federal Regulations, Title 44 (parts 13, 200, 204, 206); Title 2 (part 225)

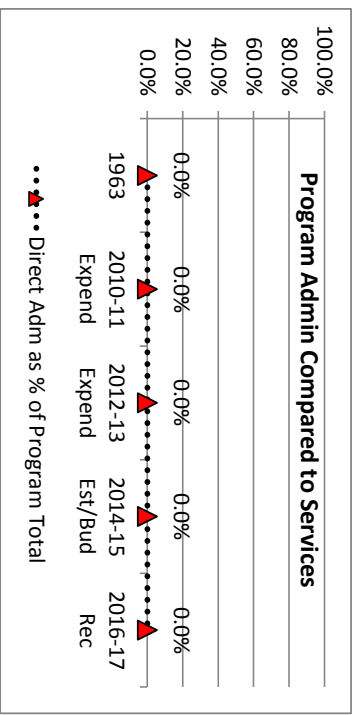
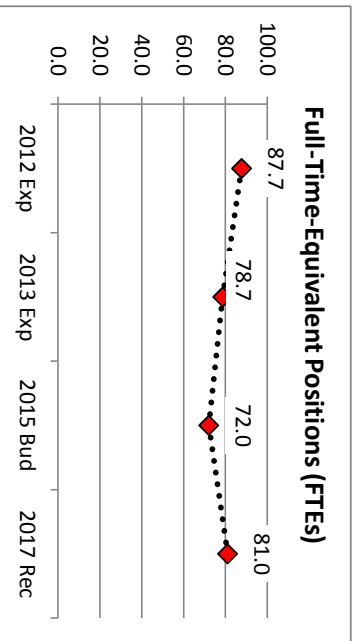
<b>Year Created</b>	1963	<b>Performance and/or Authority</b>	Strong	<b>Operational Issue Yes</b>		<b>Outsourced Services Revenue Supported</b>	No
<b>Centrality</b>	Strong	<b>Service Area</b>	Regional	<b>State Service Category</b>	Legal Services & Law Enforcement	<b>Use of Dedicated Funds</b>	Yes
							Qualified

Major Activities	2014-15 Estimated	2015 FTEs	2016-17 Recommend	2017 FTEs	% of Total
Program Operations	\$ 628,529,214	72.0	\$ 276,921,708	81.0	100.0%
	\$ -	0.0	\$ -	0.0	0.0%
	\$ -	0.0	\$ -	0.0	0.0%
	\$ -	0.0	\$ -	0.0	0.0%
<b>TOTAL</b>	<b>\$ 628,529,214</b>	<b>72.0</b>	<b>\$ 276,921,708</b>	<b>81.0</b>	<b>100.0%</b>



**Program: Disaster Recovery and Hazard Mitigation  
(Texas Division of Emergency Management)**

Agency Ranking **27**  
out of 47



**Summary of Recommendations**

Recommendations include \$276.9 million in All Funds and 81.0 FTEs to fund the agency's disaster recovery and mitigation activities. Of this total, \$272.7 million is Federal Funds. This program amount is reflected in Strategy 4.1.3, Recovery and Mitigation.

**Summary of Fiscal and Policy Issues**

**1 Federal Funds** - The vast majority of this program's federal funding is highly dependent on whether federally-recognized exigencies befall Texas. For example, in the early 2000's several major natural disasters struck Texas, resulting in significant waves of federal aid being provided to DPS for allocation. Federal rules allow up to 8 years for federal grants to be awarded by a State Administering Agency, which in Texas is DPS. As the grants have been awarded by DPS over the last decade, and with the absence of major disasters in the last several years, the agency has reported marked declines in the Federal Funds for this program. State funds comprise a very small portion of the All Funds appropriations for this program. The recommended state (General Revenue Fund) support for this program is \$2.3 million in 2016-17, and was \$2.2 million in 2014-15.

Further, the agency notes there are recovery/mitigation costs and planning activities that are not supported by federal grant awards or state appropriations. The agency claims the federal government has progressively raised the threshold required for a federal disaster declaration. As this federal threshold is raised, the covered disaster numbers go down, and as a consequence more disaster costs must be borne by the state and local agencies.

In February 2014, the State Auditor's Office found significant deficiencies and material weaknesses in DPS' management of Hazard Mitigation Grants. Further, the February 2012 State Auditor's Office audit of the Department of Public Safety compliance with federal requirements for federal funding grants found similar issues involving DPS' management of certain federal grants. See supplement for greater detail.

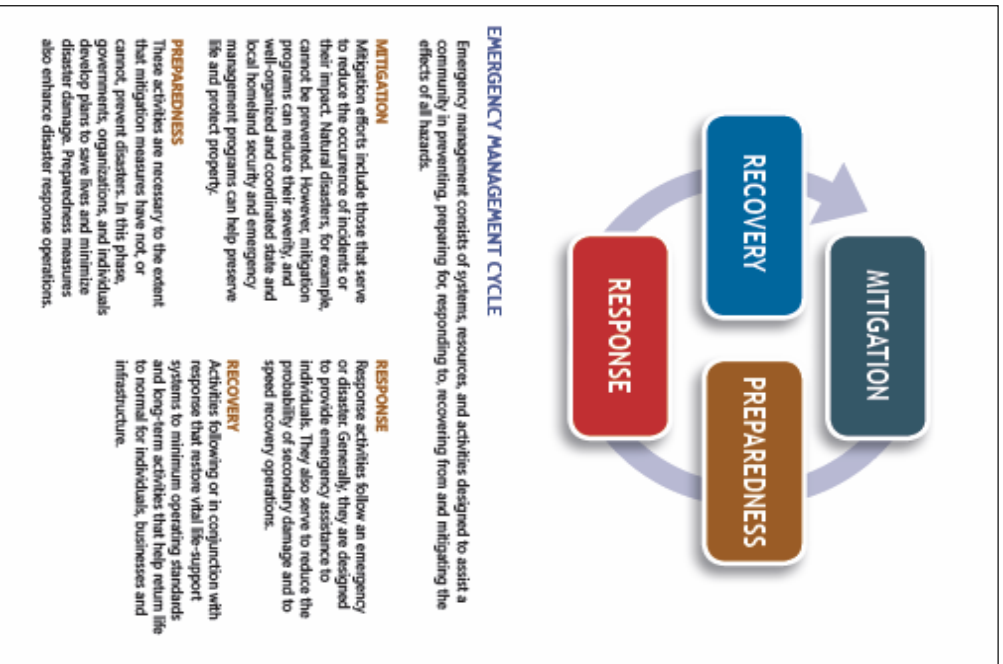
**2 Disaster Recovery Funding** - A GEER report entitled "Increase Funding to Improve Long-Term Disaster Recovery" includes recommendations to improve long-term disaster recovery efforts by training local entities in disaster grant management, establishing a disaster recovery fund, and establishing financial measures to determine disaster aid. One of the report's recommendations is to increase General Revenue by \$1,905,000 and add 9.0 FTEs to fund a Regional Recovery Coordination Program (included in recommendations).

**Performance and / or Operational Issues**

**1 SAO Audits of Federal Funds Management** - State Auditor's Office findings contained in each annual *Statewide Single Audit Report* (for the 2009-14 period) have found numerous instances of control weaknesses over federal fund management at DPS. See supplementary section following this program for greater detail on the latest (2014) *Statewide Single Audit Report*.

**Recommended Statutory Changes for Program Improvement**

**1** Included in the GEER report entitled *Increase Funding to Improve Long-Term Disaster Recovery* is a recommendation to amend statute to establish a new General Revenue-Dedicated account for disaster recovery.



**Program: Disaster Recovery and Hazard Mitigation  
(Texas Division of Emergency Management)**

Agency Ranking **27**  
out of 47

Funding Alternatives Not Included in the Recommendations	Change from Recommendations		2017 FTEs
	GR-Related	All Funds	
<p><b>1 Funding Decrease of 20 Percent</b> - agency claims a 20 percent reduction will lessen the time the state can spend on strategic planning, outreach and training of local entities related to programs for survivor assistance in the aftermath of a disaster, including long-term housing needs.</p>	\$ (458,274)	\$ (458,274)	<b>(3.8)</b>
<p><b>2 Funding Increase of 20 Percent</b> - agency claims a 20 percent increase would enable DPS to ensure processes, staffing and relationships are in place prior to a disaster and enable local jurisdictions to maximize federal funding after a disaster.</p>	\$ (458,274)	\$ (458,274)	8.7
<p><b>3 Operation Save Texas Lives</b> - agency is requesting an Exceptional Item to reduce the number of deaths and serious injuries related to vehicle crashes and additional security within the Capitol Complex. Components of this request include specifically for TDEM \$11.0 million and 7.3 FTEs primarily for enhanced data recovery capabilities.</p>	\$ 10,989,912	\$ 10,989,912	7.3

## Supplement to Recovery and Mitigation Program

*"State of Texas Compliance with Federal Requirements for Selected Major Programs at the Department of Public Safety, the Texas A&M Forest Service, and the University of Texas Medical Branch at Galveston for the Fiscal Year Ended August 31, 2013"*

State Auditor's Office      February 2014      Report No. 14-025

### **Overall Finding: Auditors identified control weaknesses and non-compliance related to the Fire Management Assistance Grant program and the Disaster Grants – Public Assistance program at the Department of Public Safety.**

For both the Fire Management Assistance Grant program and the Disaster Grants – Public Assistance program, auditors identified control weaknesses and non-compliance related to the period of availability and allowability of costs and activities the Department charged to federal grants. Specifically:

1. For both the Fire Management Assistance Grant program and the Disaster Grants – Public Assistance program, the Department based its initial payroll charges on estimates, but it did not always perform payroll activity report reconciliations in a timely manner to determine whether adjustments to federal charges were necessary. Additionally, for the Disaster Grants – Public Assistance program, the Department did not always correctly charge employee benefits to that program.
2. For both the Fire Management Assistance Grant program and the Disaster Grants – Public Assistance program, the Department did not retain sufficient support for its indirect cost rate plan. The Department also did not always correctly record indirect cost revenue. Additionally, for the Disaster Grants – Public Assistance program, the Department did not always correctly apply its indirect cost rate.
3. For both the Fire Management Assistance Grant program and the Disaster Grants – Public Assistance program, the Department charged direct costs it incurred after the performance period for its federal awards.
4. For the Disaster Grants – Public Assistance program, the Department did not always correctly allocate direct costs or retain the underlying supporting documentation for direct costs.

For both the Fire Management Assistance Grant program and the Disaster Grants – Public Assistance program, auditors identified control weaknesses and non-compliance related to the Department's drawdowns of funds from the federal government and its monitoring of subrecipient drawdowns.

1. For both the Fire Management Assistance Grant program and the Disaster Grants – Public Assistance program, the Department did not always obtain sufficient documentation to ensure that subrecipients minimized the time between their receipt of funds and the disbursement of those funds.
2. For the Fire Management Assistance Grant program, the Department did not always minimize the time between its drawdown and disbursement of federal funds.
3. For the Disaster Grants – Public Assistance program, the Department did not always comply with the time requirements for disbursing federal funds.

Auditors identified other control weaknesses and non-compliance related to the Department's verification of subrecipient eligibility, its subrecipient monitoring, and its reporting for the Fire program. Specifically:

1. For the Fire Management Assistance Grant program, one of the subrecipients auditors tested was not eligible to receive a Fire Management Assistance Grant program award.
2. For the Fire Management Assistance Grant program and the Disaster Grants – Public Assistance program, the Department did not always include all required elements in its subaward agreements and did not obtain subrecipient Data Universal Numbering System numbers from subrecipients prior to issuing subawards. Additionally, the Department did not consistently enforce and monitor subrecipient compliance with federal requirements. **For the Fire Management Assistance Grant program, the issues related to subrecipient monitoring were considered a material weakness and material non-compliance.**
3. For the Disaster Grants – Public Assistance program, the Department did not have controls to ensure that subrecipients notify the Department in a timely manner that a project is complete, which delays final audits and project close-outs.
4. For the Fire Management Assistance Grant program and the Disaster Grants – Public Assistance program, the Department did not always ensure that its financial reports included all activity in the reporting period, were supported by applicable accounting records, and were fairly presented in accordance with program requirements. Additionally, the Department did not always submit Federal Funding Accountability and Transparency Act (Transparency Act) reports accurately and/or within the required time frame. **For the Disaster Grants - Public Assistance program, the issues related to reporting were considered a material weakness and material non-compliance.**

**Strategic Fiscal Review 2016-17  
Texas Department of Public Safety 405**

**Schedule 5: Program Summary  
All 2016-17 funding recommendations reflect HB 1 as Introduced**

**Program: Crime Laboratory Services**

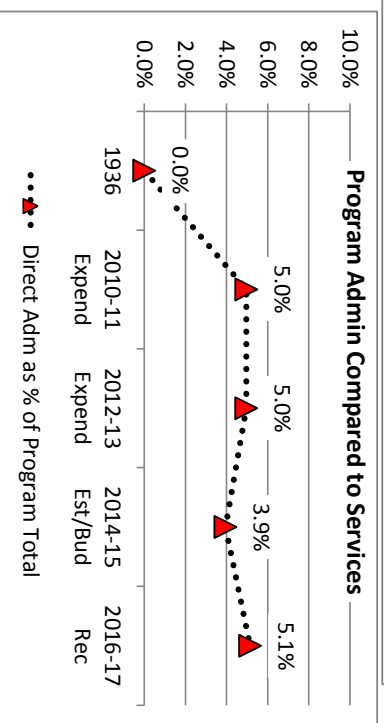
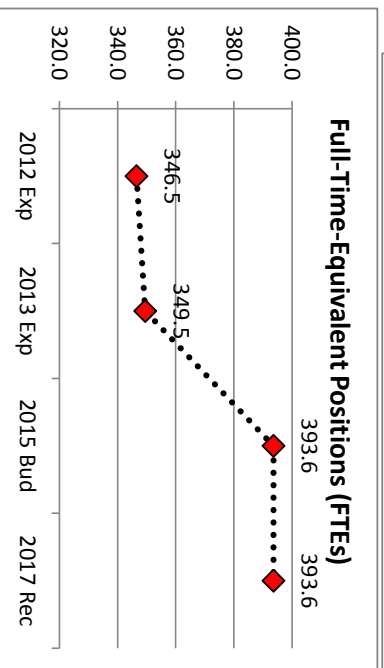
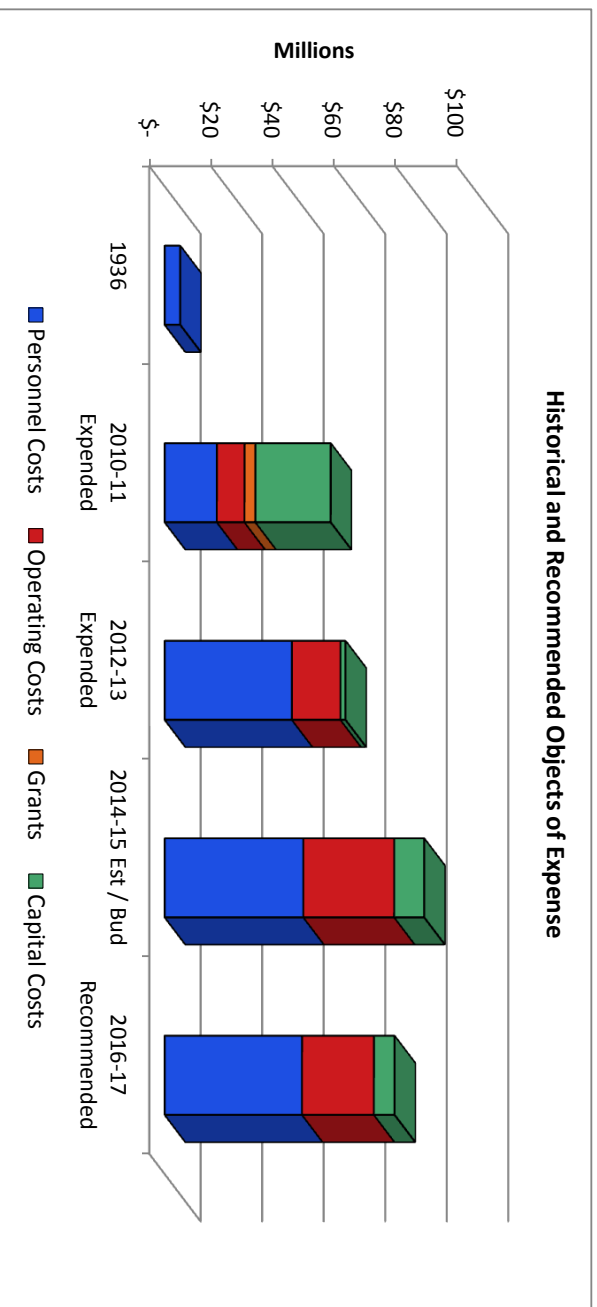
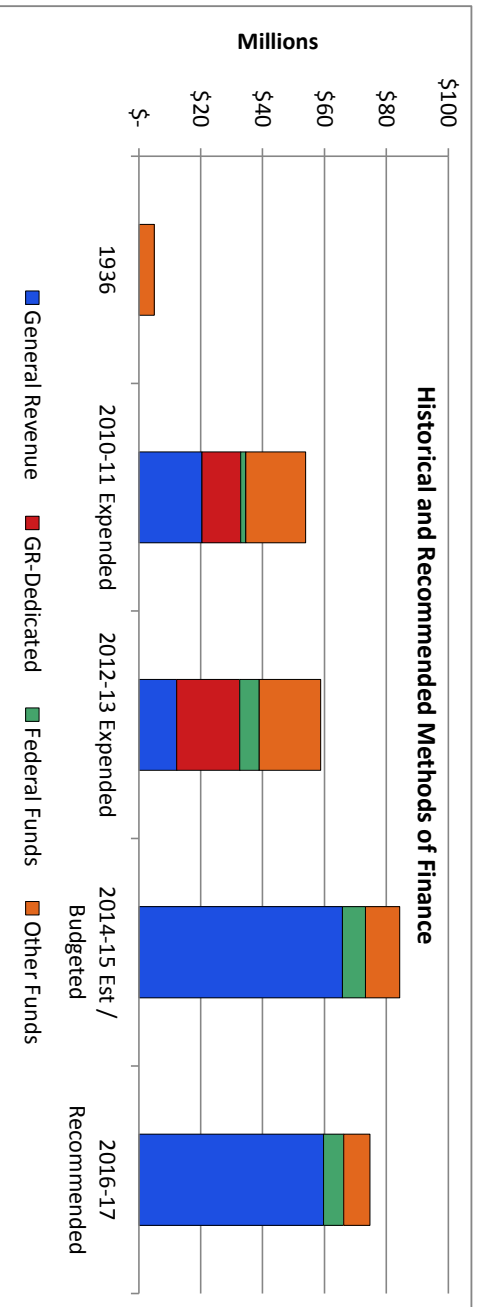
Agency Ranking  
**29 out of 47**

Provides expert forensic laboratory services, administration of the state's DNA database program, and administration of the state's breath alcohol testing program at no charge to an entity in the Texas criminal justice community in connection with matters under investigation which may result in criminal prosecution.

**Legal Authority:** Government Code, Sections 411.0205 and 411.141-154; Administrative Code, Title 37, Part 1, Ch. 28; Transportation Code 724.016; United States Code Title 21, Sec. 881(e)(3)

<b>Year Created</b>	1936	<b>Performance and/or Authority</b>	Moderate	<b>Operational Issue:</b>	No	<b>Outsourced Services</b>	Yes
<b>Centrality</b>	Strong	<b>Service Area</b>	Statewide	<b>State Service Category</b>	Legal Services & Law Enforcement	<b>Revenue Supported</b>	Yes
						<b>Use of Dedicated Funds</b>	NA
							<i>(limited)</i>

Major Activities	2014-15 Estimated	2015 FTEs	2016-17 Recommend	2017 FTEs	% of Total
Direct Administration	\$ 3,328,489	9.0	\$ 3,845,270	9.0	5.1%
Forensic Crime Laboratory	67,572,288	335.8	60,101,971	335.8	80.4%
Combined DNA Index System (CODIS)	4,754,524	18.8	5,592,858	18.8	7.5%
Breath Alcohol Crime Laboratory	8,676,489	30.0	5,167,554	30.0	6.9%
		0.0	-	0.0	0.0%
<b>TOTAL</b>	<b>84,331,790</b>	<b>393.6</b>	<b>74,707,653</b>	<b>393.6</b>	<b>100.0%</b>



## Program: Crime Laboratory Services

### Summary of Recommendations

- 1 The recommendations for this program include \$74.7 million and 393.5 FTEs, which is the total funding contained in Strategy E.1.1, Crime Laboratory Services. This represents a \$9.6 million All Funds reduction from 2014-15 funding levels, primarily due to the removal of certain one-time funding items (see numbers 2 and 5, below).

The Crime Laboratory Services function is part of the agency's Law Enforcement Support Division, which is comprised of the Crime Laboratory Services, Crime Records and Public Safety Communications functions. Included in the recommendations is funding to upgrade the El Paso (\$7.2 million) and Austin (\$12.4 million) crime laboratories and purchase DNA analysis equipment (\$0.8 million in Federal Funds), drug and toxicology testing equipment (\$1.2 million), CODIS equipment (\$0.4 million), and trace evidence testing equipment (\$0.4 million).

### Summary of Fiscal and Policy Issues

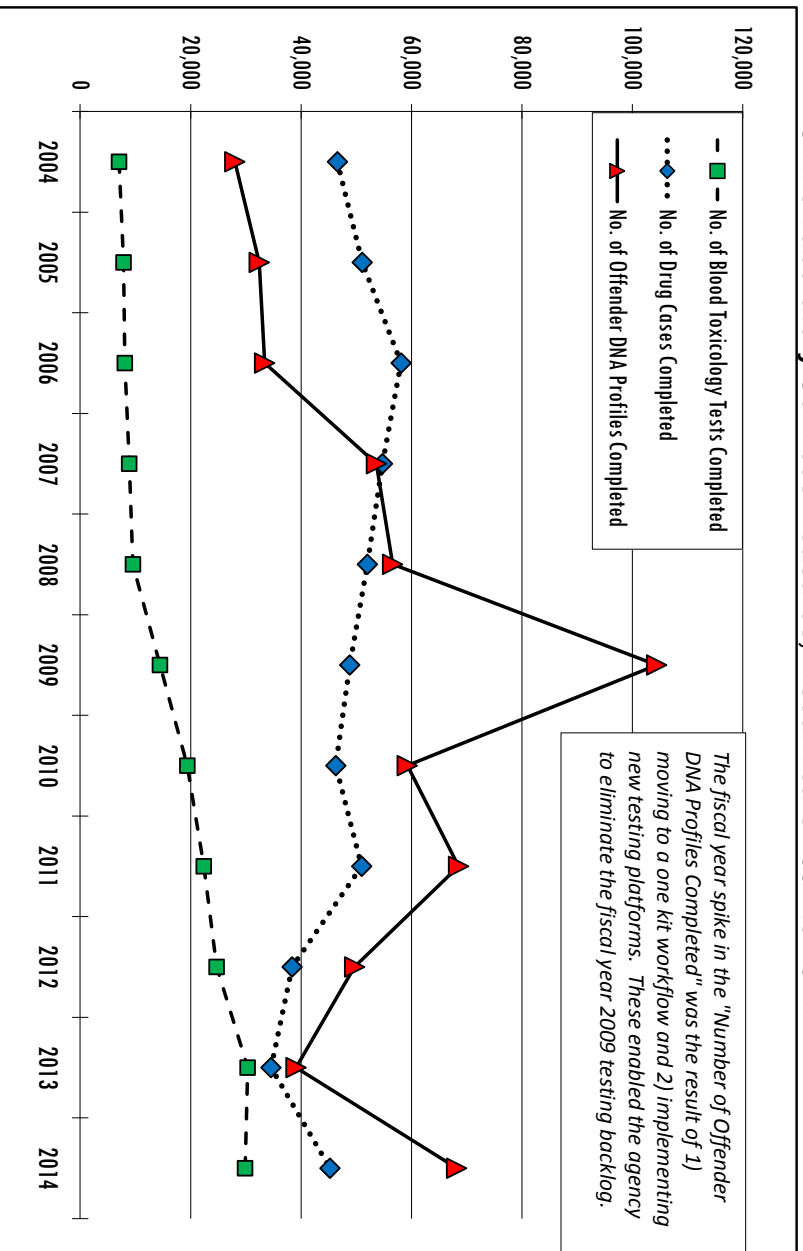
- 1 **Information on Crime Laboratory** - Starting from a one-chemist operation in 1937 at Austin's Camp Mabry, the agency's Crime Laboratory now runs a network of crime laboratories at 13 different locations across Texas. Crime Laboratory personnel provide expertise in forensic science (the evaluation and examination of evidence collected at the scene of a crime) and criminalistics (the science of recognizing, identifying, individualizing, and evaluating physical evidence by the application of natural science to law-science matters) to law enforcement personnel.

The agency's crime laboratory provides these services at no cost to all local (mostly county) law enforcement agencies in the state as well as several state agencies, including: Department of Criminal Justice, Facilities Commission, Funeral Services Commission, Department of Health, and several Universities.

Standard areas of analysis include criminalistics, biological evidence/DNA, drugs, blood alcohol, firearms, tool marks, toxicology, latent fingerprints, questioned documents, digital/multimedia evidence, and specialized photographic requests. Crime Laboratory personnel also participate in local, state, regional, and national information via individualizing databases, including AFIS (fingerprints), NIBIN (firearms), and CODIS (DNA - see below).

The graphic below provides an overview of the type and volume of services provided by the Crime Laboratory over time.

**Crime Laboratory Services Measures, Fiscal Years 2004 to 2014**



- 2 **Sexual Assault Kit Testing** - The Eighty-third Legislature provided \$10.9 million to process approximately 10,500 untested sexual assault kits as required by the passage of Senate Bill 1636 in the Eighty-second Legislature. Three outsourcing contracts have been finalized and approximately 1,600 kits have been tested to date, leaving an estimated 10,000 kits requiring testing. Upon completion of kit testing by the vendor, agency personnel will review the vendor's analysis and upload the eligible profiles into the CODIS database (see below).

**Recommendations include a new rider providing DPS \$5.0 million in unexpended balance authority in fiscal year 2016 to complete the tests. Recommendations also reduce \$9.9 million of the \$10.9 million and 5.6 FTEs appropriation, leaving \$1.0 million for salaries and support of the 5.6 FTEs.** See also the LBB Issue Brief entitled *Status of Sexual Assault Kit Analyses*.

- 3 **Forensic DNA Backlog Reduction Program (Federal Funding)** - In addition to the state funds provided for DNA testing noted above, the agency has been awarded federal grants (an average of \$6.3 million per biennium) to assist in the processing, recording, screening, and analysis of forensic DNA and/or DNA database samples. The purpose of these awards is to increase the capacity of public forensic DNA and DNA database laboratories to process more DNA samples, thereby helping to reduce the number of forensic DNA and DNA database samples awaiting analysis. This award supports the fully-funded federal FTEs referenced in current Rider 24, Contingency Personnel, DNA Analysis.

**Program: Crime Laboratory Services**

Agency **29**  
 Ranking **Out of 47**

**4 Combined DNA Index System (CODIS)** - Government Code §411.142 requires DPS to administer the CODIS program in the state of Texas. Created in 1996, CODIS is a computerized database housed and maintained at the agency's Austin Crime Laboratory to serve as the state's central repository for DNA records. CODIS houses Texas' forensic and offender data, and uploads directly to the National DNA Index System. CODIS assists federal, state, or local criminal justice or law enforcement agencies in the investigation or prosecution of sex-related offenses, or other offenses in which biological evidence is recovered. Currently, CODIS houses almost 800,000 offender samples and over 50,000 forensic samples producing over 15,000 investigative leads. The Crime Laboratory Service supports over 1,500 local, state, and federal law enforcement agencies and the criminal justice system as a whole by analyzing evidence associated with criminal investigations, providing reports of the analysis of evidence to the prosecuting attorneys and courts, and by providing courtroom testimony. The majority of our services are requested by local law enforcement agencies. Further, the database may also assist in:

- The recovery or identification of human remains from a disaster or for humanitarian purposes (see also LBB Issue Brief);
- The identification of living or deceased missing persons; and
- Identification research and protocol development.

**5 Reduction for Certain Capital Budget Items** - Recommendations include a \$2.1 million reduction for one-time capital purchases included in an \$8.7 million and 28.0 FTE appropriation by the Eighty-third Legislature, Regular Session to hire staff and purchase replacement drug testing instruments.

**Performance and / or Operational Issues**

**1 Internal Audit** - An internal audit entitled *2013 Internal Quality Assurance Audit Report* examined policies and procedures at 20 laboratories and breath alcohol testing locations. Findings revealed various conformity issues related to laboratory procedures in most of the laboratories. In 2014 auditors verified quality assurance corrections had been implemented, specifically in compliance with ISO standard 4.14.1.

**Recommended Statutory Changes for Program Improvement**

**1** None.

Funding Alternatives Not Included in the Recommendations	Change from Recommendations		2017 FTEs
	GR-Related	All Funds	
<p><b>1 Funding Decrease of 20 Percent</b> - agency claims a 20 percent funding reduction would eliminate 33 drug analyst FTEs, 33 DNA analyst FTEs, 5 firearm analyst FTEs, and 10 toxicology FTEs. Agency notes this is due to salaries comprising roughly 70 percent of this program's budget. Agency notes reduced FTEs would reduce the quantity of forensic testing handled by the DPS Crime Laboratories. Agency estimates a 20 percent funding reduction would result in 31,680 fewer drug cases (68% reduction), 3,960 fewer DNA cases (69% reduction), 300 fewer firearm cases (30% reduction), and half of the toxicology cases being tested over a biennium. Related operational expenditures, such as equipment and consumable supplies, would also be less due to a reduction in force.</p>	\$ (13,300,000)	\$ (13,300,000)	(78.0)
<p><b>2 Funding Increase of 20 Percent</b> - agency claims a 20 percent increase in funding would allow the agency's crime laboratories to make significant inroads on (or completely eliminate) forensic testing backlogs. The agency's crime laboratories ended fiscal year 2013 with a backlog of 2,292 DNA cases and 31,569 drug/other cases and ended fiscal year 2014 with a similar backlog (2,243 DNA cases and 28,719 drug/other cases). Agency notes the crime laboratories are seeing significant increases in demand for blood alcohol/toxicology analysis, synthetic cannabinoid analysis and DNA analysis due to state population growth, drug cartel activity and heightened DWI enforcement measures. A 20 percent funding increase would allow DPS to outsource the current backlog of requested drug testing and hire 25 more drug analyst FTEs to keep up with the increasing volume. The increase would also allow DPS to convert 25 drug analyst FTEs which are currently federally-funded to state-funded positions, thereby providing funding stability. DPS would also be able to hire 20 toxicology FTEs to provide blood screening for drugs to be handled at multiple labs across the state, rather than the Austin Crime Lab. Finally, DPS would use the enhanced funding to hire staff to perform quality assurance, legal, and other indirect functions to support the crime lab mission.</p>	\$ 13,300,000	\$ 13,300,000	47.0



**Program: Crime Laboratory Services**

Agency Ranking **29**  
out of 47

**3 Exceptional Item Requests** - agency is requesting additional funding and FTEs through inclusion in the following Exceptional Item requests:

<p><b>Operation Rescue</b> - \$3.3 million to purchase DNA analysis equipment and hire 12.4 FTEs; \$2.7 million to replace old laboratory equipment; and \$2.1 million to provide training funds and salary increases for forensic scientists.</p>	<p>\$ 8,090,970</p>	<p>\$ 8,090,970</p>	<p>12.4</p>
<p><b>Operation Save Texas Lives</b> - \$2.5 million to replace all evidential breath alcohol testing field and training instruments (approximately 250 instruments); \$0.2 million for a new breath alcohol database; \$1.4 million and 7.9 FTEs for additional forensic scientists specializing in certain forensic testing; and \$0.8 million and 6.2 FTEs to respond to requests for laboratory records for all 13 crime laboratories.</p>	<p>\$ 4,873,422</p>	<p>\$ 4,873,422</p>	<p>14.1</p>
<p><b>Facilities</b> - Funding for the construction of a new crime laboratory (location TBD) and expansion of existing crime laboratories.</p>	<p>TBD</p>	<p>TBD</p>	<p>0.0</p>

Strategic Fiscal Review 2016-17  
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Schedule 5: Program Summary  
All 2016-17 funding recommendations reflect HB 1 as Introduced

**Program: Driving and Motor Vehicle Safety**

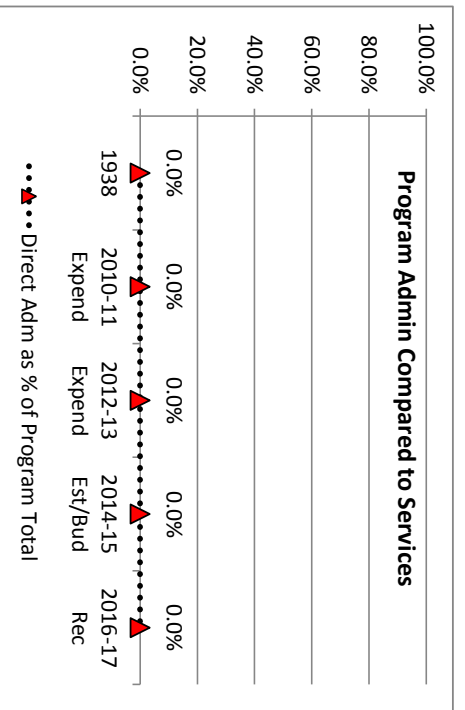
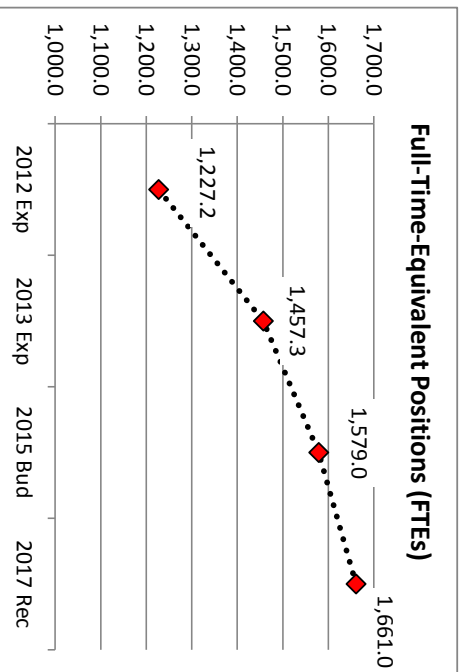
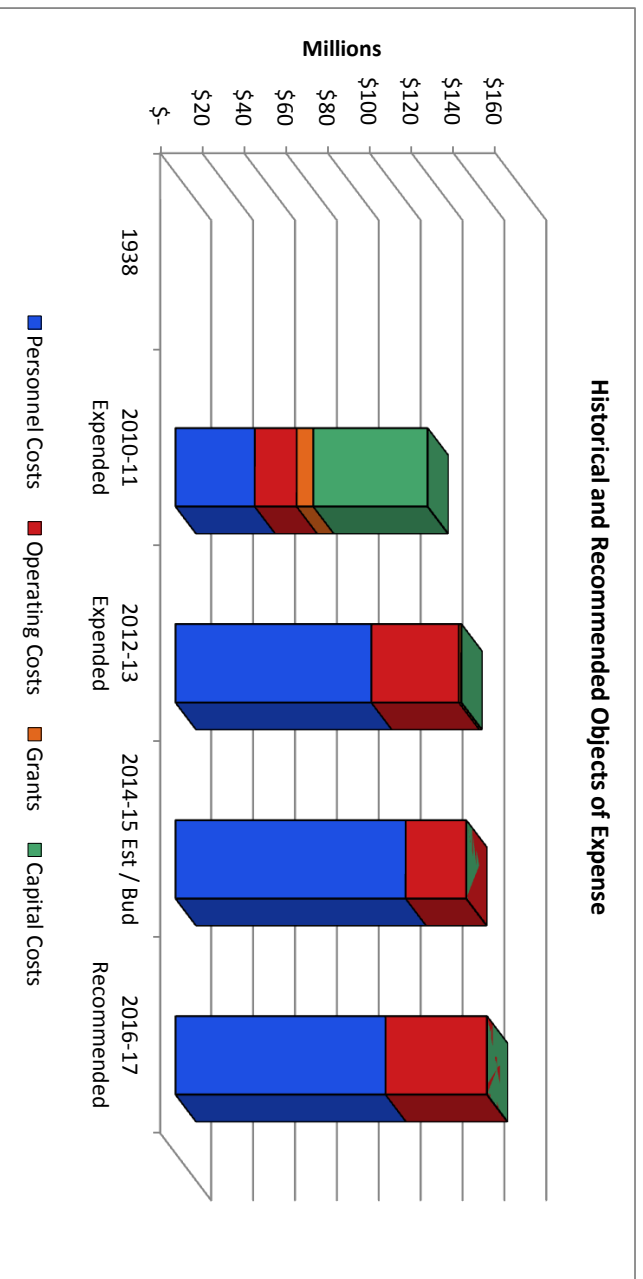
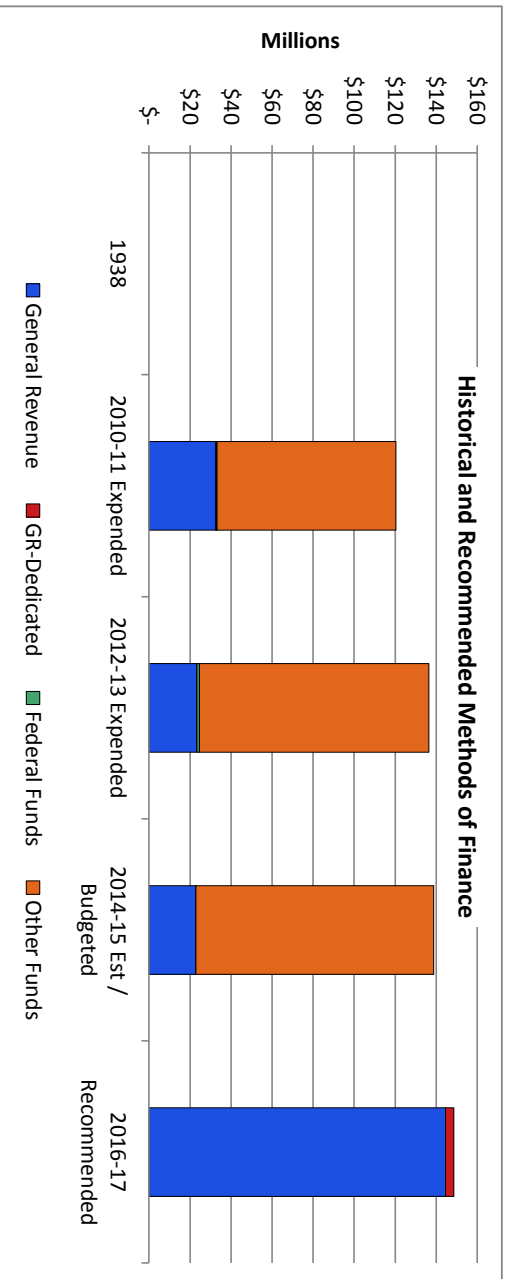
Agency Ranking **34** out of 47

Examines new drivers, identifies drivers who are a potential risk, and represents the agency in court hearings. The program also ensures the authenticity of documents presented at the time of application.

**Legal Authority:** Transportation Code, Chapters 521 and 522

<b>Year Created</b>	1938	<b>Performance and/or Authority</b>	Strong	<b>Operational Issue (Select)</b>		<b>Outsourced Services Revenue Supported</b>	Yes
<b>Centrality</b>	Strong	<b>Service Area</b>	Statewide	<b>State Service Category</b>	Legal Services & Law Enforcement	<b>Use of Dedicated Funds</b>	Yes
						<b>Compliant</b>	Compliant

Major Activities	2014-15 Estimated	2015 FTEs	2016-17 Recommend	2017 FTEs	% of Total
Driving and Motor Vehicle Safety	\$ 138,749,270	1,579.0	\$ 148,639,112	1,661.0	100.0%
	\$ -	0.0	\$ -	0.0	0.0%
<b>TOTAL</b>	<b>\$ 138,749,270</b>	<b>1,579.0</b>	<b>\$ 148,639,112</b>	<b>1,661.0</b>	<b>100.0%</b>



**Program: Driving and Motor Vehicle Safety**

**Summary of Recommendations**

1 The recommendations for this program include \$148.6 million, which is an increase of \$9.9 million in All Funds, primarily due to agency's requested allocation of baseline funding.

This program, along with the Safety Education program (\$5.2 million and 28.0 FTEs) and Driver License Process Improvement Plan program (\$18.7 million and 30.0 FTEs), together constitute the total funding contained in Strategy E.2.2, Driving and Motor Vehicle Safety (\$172.6 million and 1,719 FTEs). This strategy, in turn, when combined with Strategy E.2.1, Driver License Services (\$75.6 million and 209.0 FTEs) composes the agency's Driver License Division. This division is DPS' second largest, with its 1,928.0 FTEs ranking second to the Texas Highway Patrol Division's 2,771 FTEs. The Driver License Division's primary function is to ensure individuals have access to an efficient method of attaining driver licenses of all types.

**Summary of Fiscal and Policy Issues**

2 **Wait Times** - Minutes of wait time is common performance metric used by the Legislature and DPS to track the efficiency of the driver license attainment process. The Legislature provided funding through the Driver License Improvement Program (DLIP) starting in fiscal year 2012 to reduce wait times.

Funding for the DLIP initiative over the past two biennia totals \$167.1 million. Recommendations include \$103.0 million in baseline funding for this purpose. Recommendations also add a new rider requiring annual comprehensive DLIP reporting to the legislature as the result of the following:

- ▶ Significant portions of the \$167.1 million appropriated for the DLIP include items that could be considered one-time. For example, the Eighty-third Legislature appropriated \$20.6 million and 30.0 FTEs to fund the following: 325 self-service kiosks, self-service queuing strategy at 59 of the busiest Driver License offices, new Fingerprint, Photo, Signature (FPS) equipment, IT infrastructure, data center stabilization, replacement phone systems, increased bandwidth, as well as two new offices in the central areas of Houston and Dallas. While ongoing lease and maintenance costs may be significant, it is almost certain that sparing DLIP appropriations from recommended reductions on grounds of being one-time funding items has provided DPS some degree of fiscal cushion.

- ▶ There is ambiguity about how state investments in the DLIP have resulted in tangible improvements for Texans. For example, the fiscal year 2014 target for the performance measure "Percent of Driver License/ID Applications Completed within 45 Minutes" was 76 percent, while the actual performance was 52 percent. DPS states that the 76 percent target was offered by the agency at a time when there was little data on what realistically may be expected of state investments to improve the driver license process. Further, while DLIP appropriations have been intended for the busiest of driver license centers, DPS claims there are service gaps between certain metro areas (Dallas, Houston) and the rest of the state, which deflate the overall statewide average.

**3 Commercial Driver Licenses** - Since April 1992, federal law has required individuals driving certain commercial motor vehicles to possess a commercial driver license. While states issue commercial driver licenses (CDLs), the Federal Motor Carrier Safety Administration establishes the standards for state testing and licensing of CDL holders. In Texas DPS is responsible for the actual testing and licensing of CDL holders. See Schedule 5, "Combined Programs: Commercial Vehicle Enforcement and Motor Carrier Bureau" for more information.

**4 Transferring the Driver Licensing Function to Another State Agency** - there has been periodic interest in transferring the driver licensing function from DPS to the Department of Motor Vehicles (DMV). Enactment of House Bill 1515 (Eighty-third Legislature, Regular Session) would have required the transfer of the powers and duties of DPS relating to driver's licenses and personal identification cards to the DMV on January 1, 2015. On that date, an employee of the DPS Driver License Division would have become an employee of the DMV. However, the bill failed.

**Performance and / or Operational Issues**

1 None.

**Recommended Statutory Changes for Program Improvement**

1 None.

**Funding Alternatives Not Included in the Recommendations**

	Change from Recommendations		
	GR-Related	All Funds	2017 FTEs
<b>1 Funding Decrease of 20 Percent</b> - agency claims a 20 percent reduction in this program would require that 315.8 FTEs be eliminated. This reduced workforce would adversely affect customer service in driver license offices, call centers and enforcement and compliance services at DPS headquarters. The delays that would result from this reduction would erase the strides made over the last few biennia to improve customer service and would revert to higher dissatisfaction and more complaints.	\$ (33,120,287)	\$ (33,120,287)	(315.8)
<b>2 Funding Increase of 20 Percent</b> - agency claims a 20 percent increase for this program would add 315.8 FTEs and continue the Department's efforts to shorten the wait times in driver license offices across the state and comply with federal mandates.	\$ 33,120,287	\$ 33,120,287	315.8

**Program: Driving and Motor Vehicle Safety**

<b>3 Driver License Expansion</b> - agency is requesting an Exceptional Item totaling 268.7 FTEs and \$72.0 million in All Funds for the 2016-17 biennium to increase processing capacity at Driver License Centers. The largest component of this request is \$33.5 million and 174.4 FTEs to bring the agency's commercial driver license facilities up to the new testing standards required by the Federal Motor Carrier Safety Administration. The requested funding level would be in addition to funding provided by the Eighty-second Legislature, 2011, (\$64.1 million) and the Eighty-third Legislature, 2013, (\$38.9) for this purpose.	\$	72,030,289	\$	72,030,289	Agency Ranking <b>34</b> out of <b>47</b> 268.7
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**Strategic Fiscal Review 2016-17**  
**Texas Department of Public Safety 405**

**Schedule 5: Program Summary**  
**All 2016-17 funding recommendations reflect HB 1 as Introduced**

**Programs: Regulatory Services - Issuance, Compliance and Modernization**

Agency Ranking **36 - 38**  
 out of 47

The following three programs encompass DPS' regulatory functions:

**Issuance** - The Regulatory Service Issuance program is responsible for receiving applications and issuing licenses, permits, and registrations for qualifying applicants within statutory timeframes, and for tracking the number of license, permit, and registration holders.

**Compliance** - The Regulatory Services Compliance program is charged with auditing, monitoring, and taking administrative and criminal enforcement against regulated providers for violations of statutes and related administrative rules. Properly licensed or registered program providers are periodically audited for operational compliance with applicable state or federal regulations. Program data is monitored and analyzed to detect potential regulatory criminal or administrative violations, and subsequent investigations confirm or refute the information. Administrative penalties or fines are assessed and administered for violations by regulated service providers, and criminal prosecution is sought for criminal violations.

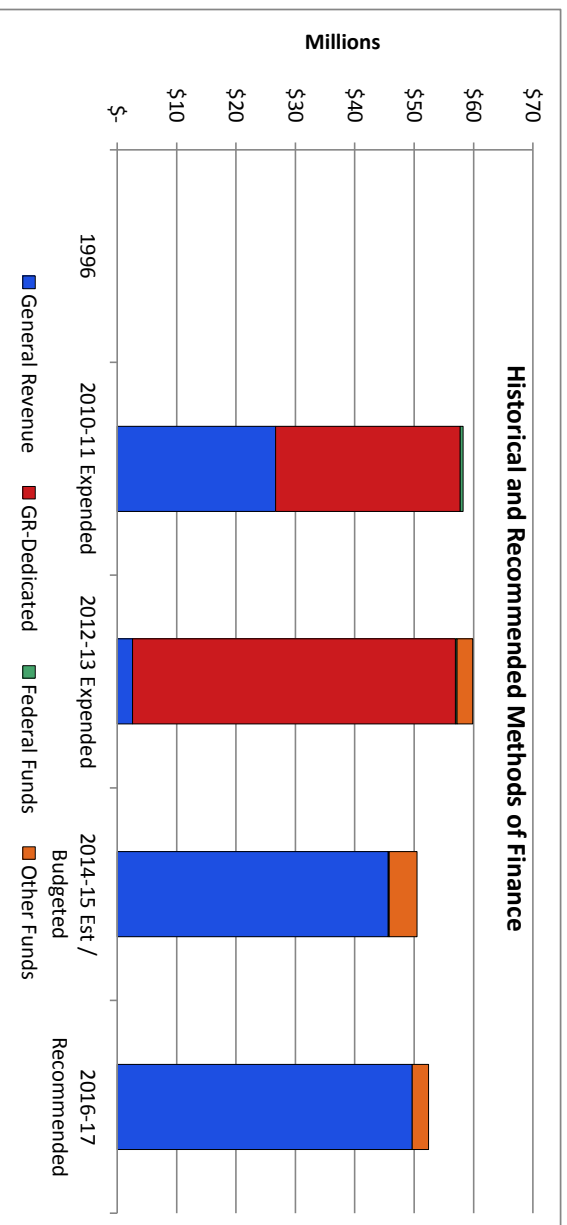
**Modernization** - The Regulatory Services Modernization program is responsible for improving the operational efficiency and delivery of regulatory services to customers through re-engineered business processes and implementation of improved technological solutions.

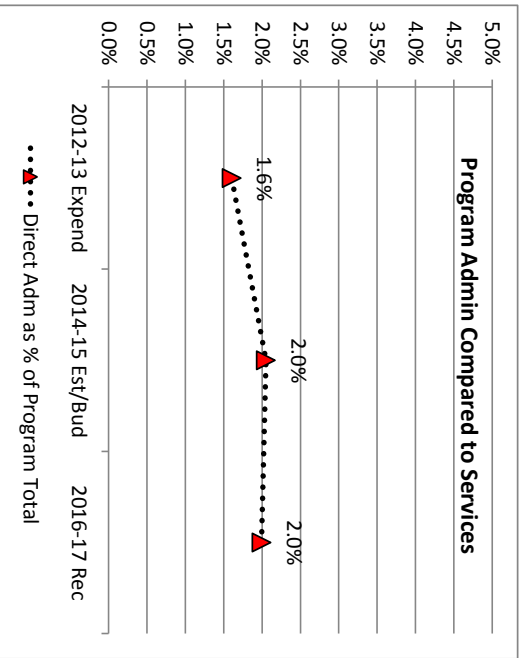
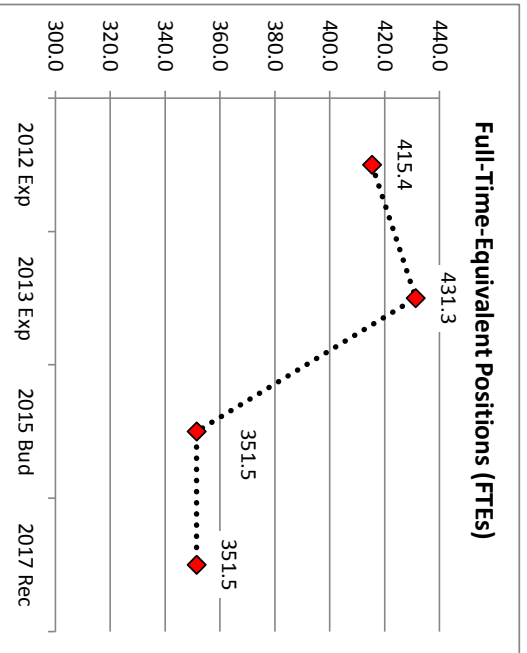
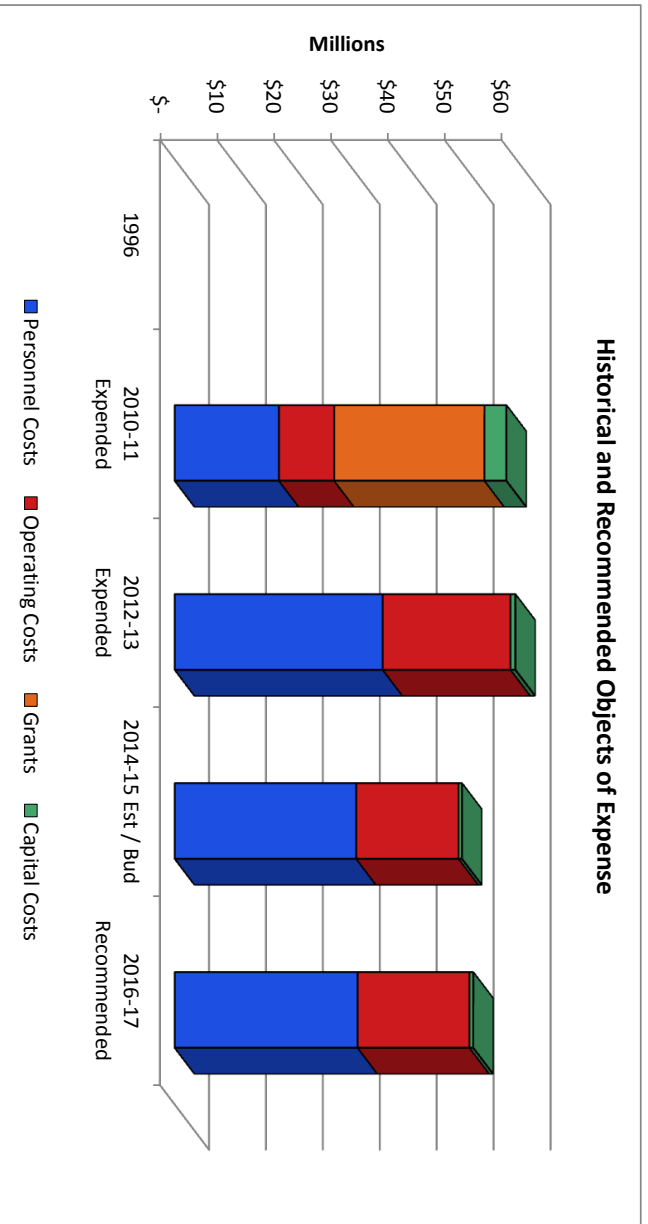
**Legal Authority:**

Government Code, Ch. 411, Subch. H; Health and Safety Code, Ch. 481  
 Occupations Code, Ch. 1956, 1702, 2302, 2305, 2309 Transportation Code, Ch. 501 and 548

<b>Year Created</b>	1996	<b>Performance and/or</b>		<b>Outsourced Services</b>	Yes
<b>Authority</b>	Strong	<b>Operational Issue (Select)</b>		<b>Revenue Supported</b>	Yes
<b>Centrality</b>	Moderate			<b>Use of Dedicated Funds</b>	Compliant
<b>Service Area</b>	Statewide	<b>State Service Category</b>	Legal Services & Law Enforcement		

Major Activities	2014-15 Estimated	2015 FTEs	2016-17 Recommend	2017 FTEs	% of Total
<b>Regulatory Services - Issuance:</b>					
Regulatory Services Issuance	\$ 17,077,545	57.0	\$ 16,973,510	57.0	16.2%
<i>Subtotal, Issuance:</i>	<i>\$ 17,077,545</i>	<i>57.0</i>	<i>\$ 16,973,510</i>	<i>57.0</i>	<i>16.2%</i>
<b>Regulatory Services - Compliance:</b>					
Regulatory Services - Compliance	\$ 22,413,672	231.0	\$ 23,503,474	231.0	65.7%
Criminal Investigations Division	175,950	0.0	55,378	0.0	0.0%
<i>Subtotal, Compliance:</i>	<i>\$ 22,589,622</i>	<i>231.0</i>	<i>\$ 23,558,852</i>	<i>231.0</i>	<i>65.7%</i>
<b>Regulatory Services - Modernization:</b>					
Direct Administration	\$ 1,033,959	5.0	\$ 1,045,219	5.0	1.4%
Regulatory Services Modernization	9,755,364	58.5	10,870,053	58.5	16.6%
<i>Subtotal, Organized Crime:</i>	<i>\$ 10,789,323</i>	<i>63.5</i>	<i>\$ 11,915,272</i>	<i>63.5</i>	<i>18.1%</i>
<b>TOTAL</b>	<b>\$ 50,456,490</b>	<b>351.5</b>	<b>\$ 52,447,634</b>	<b>351.5</b>	<b>100.0%</b>





**Summary of Recommendations**

1 These three programs together constitute the total funding recommended in Strategies E.3.1, Regulatory Services Issuance and Modernization (\$28.9 million and 120.5 FTEs) and E.3.2, Regulatory Services Compliance (\$23.6 million and 231.0 FTEs). In addition, these programs constitute the agency's Regulatory Services Division. In numbers of FTEs, this division is DPS' sixth largest.

**Summary of Fiscal and Policy Issues**

1 **Issuance** - Nine separate licenses or authorizations are granted within Regulatory Services Issuance:

- Capitol Access Pass, Concealed Handgun License (see graphic below), Controlled Substances Registration, Metals Registration, Private Security, and Ignition Interlock Device Service Center, Prescription Program, Precursor Chemical Laboratory Apparatus, and Vehicle Inspection. See next page for further information.

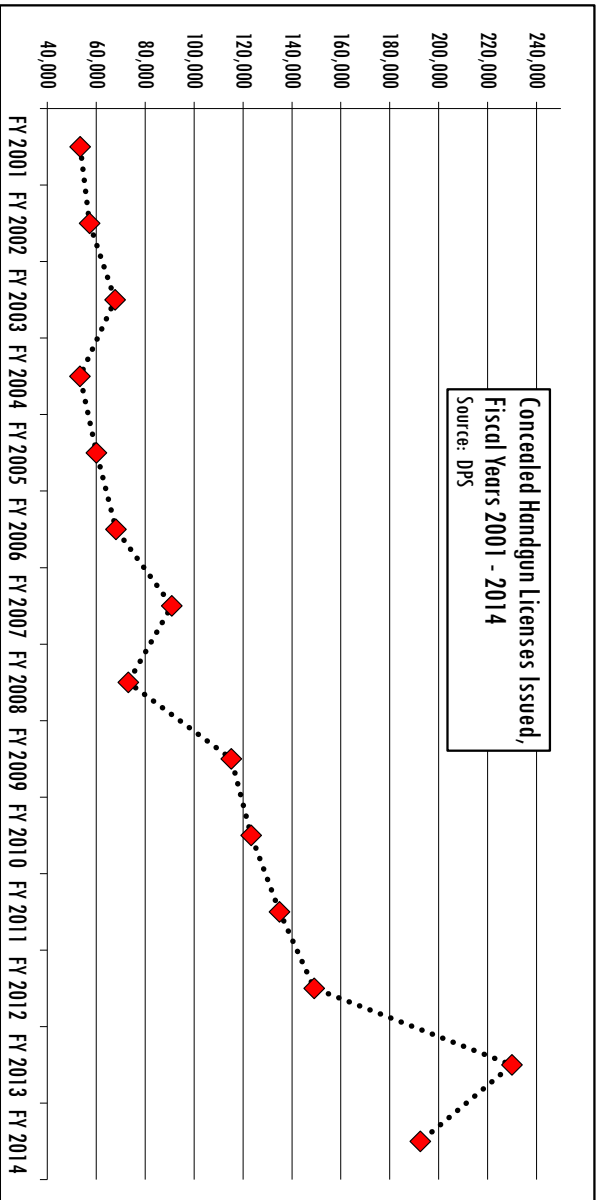
These nine areas represent both occupational licenses and authorizations for personal use. Most of these regulatory services have been adjusted over time as a result of three factors:

- 1) legislatively mandated process improvements to enhance customer experience with the licensing process;
- 2) significant changes in demand, requiring adaptive responses (such as Texans' demand for concealed handgun licenses - see graphic at the top of the next page); and
- 3) legislative changes resulting in changes in statute, such as occurred in the Seventy-eighth Legislature, Regular Session, 2003 with the closing of the state agency responsible for Private Security and the transfer of the function to DPS.

While the agency has statutory authority to provide these licenses or authorizations, it is an open policy question whether some of the following regulatory functions could be better housed in a different agency: Controlled Substances Registration Program; Precursor Chemical Laboratory Apparatus Program; Texas Prescription Program; Ignition Interlock Device Service Center Program; Vehicle Inspection Program; and the Metals Recycling Program. These programs are not obviously within the agency's public safety mission. Additional analysis is necessary to provide sufficient detail to determine how each type of issuance is divided among agency staff, or what human and physical resources would need to be included in the case of a transfer to another state agency.

**Programs: Regulatory Services - Issuance, Compliance and Modernization**

Agency Ranking **36 - 38** out of 47



**2 DPSDirect** - Modernization was established in fiscal year 2012 as a regulatory strategy, and provides process improvements for the regulatory programs. One of the major projects Modernization is developing is DPSDirect, a web-based platform that allows for program administration. Currently this program handles vehicle inspections, and all the agency's regulated programs will be administered through DPSDirect. No separate state appropriations were made to fund DPSDirect.

**3 Compliance** - Compliance efforts are split between commissioned and non-commissioned enforcement teams to allow commissioned personnel to focus on criminal violations, and non-commissioned personnel to focus on administrative compliance efforts. Administrative compliance efforts include inspections, on-site visits, applicant criminal background investigations, and investigations of complaints lodged by license holders and the general public.

The Regulatory Crimes Service, which focuses on criminal violations, first educates registrants on rules and laws surrounding regulated programs to obtain compliance on license and permit violations prior to directing administrative or criminal action. The Regulatory Crimes Service also monitors compliance, and conducts inspection and enforcement evaluations. Violations found to be criminal in nature are investigated by the Criminal Investigations Division, with the Regulatory Crimes Service providing all initial supporting information.

**5 Use of Vendors** - Vendors are used for the issuance of the following licenses or authorizations: Concealed Handgun; Texas Prescription Program; Vehicle Inspection; Metals Recycling; and Private Security.

**Performance and / or Operational Issues**

**1 Internal Audit** - An internal audit entitled Regulatory Services Division Controlled Substances Operations found that while the agency's regulatory services are overall effective, there were several recommendations to correct weaknesses, including researching "various solutions to address the DPS registration number linking problem within the RSA system... The audit also recommended that Modernization management reevaluate the data integrity requirement for rejection of entire batches of prescription records and determine whether to accept the records that pass validation and reject only those that are unusable, and to adjust the requirements of the system, and any vendor requirements, in order to accept more prescription records while preserving the desired data integrity. The audit also recommended that Modernization establish a mechanism to record and track the disposition of blank prescription pads from time of receipt to time pads are destroyed, segregate responsibility between recording pads received and pad disposition, and establish a process to for the supervisor to periodically review the mechanism to ensure information is accurate and that pads are being properly destroyed."

**Recommended Statutory Changes for Program Improvement**

1 See next page for recommendations.

Funding Alternatives Not Included in the Recommendations	Change from Recommendations		
	GR-Related	All Funds	2017 FTEs
<b>1 Exceptional Item Requests</b> - agency is requesting additional funding and FTEs through inclusion in the following Exceptional Item requests:			
<b>Operation Rescue</b> - \$1.5 million to increase the funding in Rider 43 pertaining to Concealed Handgun Licenses.	\$ 1,549,502	\$ 1,549,502	0.0
<b>Reduce Licensing Delivery Times</b> - \$4.9 million to add 40.5 FTEs; \$2.3 million to purchase six fully-equipped mobile crime scene response vehicles; \$2.8 million to fund increased salaries associated with certain job reclassifications for field auditors; \$2.5 million to add 13.5 FTEs; \$0.6 million for an automated mailing system; and \$1.1 million for new regulatory software.	\$ 11,813,215	\$ 11,813,215	54.0

Regulatory Service	Description	Legal Basis	Authority	Centrality	Recommendations
1 Capitol Access Pass Program	Provides expedited access to the Texas State Capitol through the main, public entrances.	Government Code, Section 411.0625  <i>"The department shall allow a person to enter the Capitol and the Capitol Extension...in the same manner as the department allows entry to a person who presents a concealed handgun license."</i>	Strong	Strong	Because this program clearly aligns with DPS' core mission to provide security for the state capital complex, <b>recommendation is to maintain this function at DPS.</b>
2 Concealed Handgun License Program	Licensing required to carry a concealed handgun in Texas. As the chart on the previous page shows, the demand for this license has grown significantly: between fiscal year 2001 and fiscal year 2014, the number of concealed handgun licenses issued annually by DPS has increased by almost 360 percent.	Government Code, Section 411 Subchapter H	Strong	Moderate	Because concealed firearm licensing requires significant portions of public safety training and regulation, <b>recommendation is to maintain this function at DPS.</b>
3 Controlled Substances Registration Program	Registers all persons or institutions that manufacture, distribute, analyze or dispense controlled substances in Texas. Registrants include practitioners (medical doctors, dentists, veterinarians, podiatrists and therapeutic optometrists), mid-level practitioners (advanced practice nurses and physicians' assistants), pharmacies, hospitals, manufacturers, researchers, teaching institutions, distributors and analysts. The purpose of registering these individuals and institutions is to more effectively control the diversion of controlled substances from legitimate channels and to promote public health and welfare by controlling illegal drug trafficking. In fiscal year 2014 the agency issued 80,636 controlled substances registrations (original and renewal).	Heath and Safety Code, Chapter 481 (Texas Controlled Substances Act)  <i>"Section 481.003 The director may adopt rules to administer and enforce this chapter. (b) The director by rule shall prohibit a person in this state...from using a practitioner 's Federal Drug Enforcement Administration number for a purpose other than a purpose described by federal law or by this chapter."</i>	Strong	Moderate	Because this program pertains more toward generic regulation (rather than regulation with a clear public safety imperative), <b>recommendation is to study moving this function to another state agency</b> , such as the Texas Department of State Health Services.
4 Metals Registration Program	To register and oversee all metal recycling entities in Texas. Registered entities are required to collect certain identifying information from sellers of recycled material to help law enforcement monitor those who are buying and / or selling stolen materials. In fiscal year 2014 the agency issued 382 metals registration certificates (original and renewal).	Texas Occupations Code, Chapter 1956	Strong	Moderate	Because this program pertains more toward generic regulation (rather than regulation with a clear public safety imperative), <b>recommendation is to study moving this function to another state agency</b> , such as the Texas Commission on Environmental Quality.
5 Private Security Program	The Private Security Program regulates the private security and private investigation industry in Texas (in fiscal year 2014 the program regulated 5,683 companies, 292 schools and 153,206 individuals).	Texas Occupations Code, Chapter 1702	Strong	Strong	Because regulating private security services requires significant portions of public safety training, <b>recommendation is to maintain this function at DPS.</b>



Regulatory Service	Description	Legal Basis	Authority	Centrality	Recommendations
6 Ignition Interlock Device Service Center Program	Agency's website claims: "The Texas Transportation Code §521.246 requires DPS establish minimum standards for vendors of Ignition Interlock Devices (IID) who conduct business in Texas and procedures to ensure compliance with those standards....RSD staff certifies vendors to install, download, remove, repair, replace and make reports of all required data recorded by the device." In fiscal year 2014 the agency regulated 282 active certified ignition interlock device service centers.	Texas Transportation Code Section 521.246  Note, the section cited by DPS only authorizes judges to impose usage of IIDs, and requires DPS only to provide criminal records to judges hearing certain cases. The legal authority for DPS to regulate vendors of IIDs is not evident.	Weak	Weak	Statute does not designate any state agency to be this program's administrator. Further, this program pertains more toward generic regulation (rather than regulation with a clear public safety imperative). <b>Recommendation is to study moving this function to another state agency</b> , such as the Texas Department of Licensing and Regulation or the Texas Department of Motor Vehicles.
7 Prescription Program	Monitors Schedule II through Schedule V controlled substance prescriptions primarily through the control of releasing official prescription pads. Program also allows authorized users to search the last 365-days worth of prescription dispensing history for Schedule II – V controlled substances, including the patient's prescription history and as well as the physician's own prescribing information. In fiscal year 2014, DPS reported receiving 39,552,939 notifications for controlled substance prescriptions from dispensaries.	Heath and Safety Code, Chapter 481 (Texas Controlled Substances Act)  "Section 481.003 The director may adopt rules to administer and enforce this chapter. (b) The director by rule shall prohibit a person in this state...from using a practitioner 's Federal Drug Enforcement Administration number for a purpose other than a purpose described by federal law or by this chapter."	Strong	Moderate	Because this program pertains more toward generic regulation (rather than regulation with a clear public safety imperative), <b>recommendation is to study moving this function to another state agency</b> , such as the Texas Department of State Health Services.
8 Precursor Chemical Laboratory Apparatus Program	To control the diversion of chemicals used in the illegal manufacture of drugs, statute requires anyone who sells, transfers, furnishes, or purchases certain precursor chemicals or certain laboratory apparatuses to be regulated by DPS. In fiscal year 2014 the agency issued 1,671 permits for chemical and laboratory apparatuses.	Health and Safety Code Section 481.061  "Except as otherwise provided by this chapter, a person who is not a registrant may not manufacture, distribute, prescribe, possess, analyze, or dispense a controlled substance in this state."	Strong	Moderate	Because this program pertains more toward generic regulation (rather than regulation with a clear public safety imperative), <b>recommendation is to study moving this function to another state agency</b> , such as the Texas Department of State Health Services.
9 Vehicle Inspection Program	The DPS Vehicle Inspection Program certifies vehicle inspectors and inspection stations, monitors and ensures compliance with inspection standards, and supervises vehicle emission programs designed to meet federal clean air requirements. Note, starting March 1, 2015 vehicle owners will be issued one sticker as proof of both inspection and registration (pursuant to House bill 2305, Eighty-third Legislature, Regular Session). Inspection stations will no longer issue inspection stickers. In fiscal year 2014 the agency suspended or revoked 3,154 vehicle services station and vehicle inspector certifications.	Transportation Code Section 547.101  "(b) The department may adopt standards for vehicle equipment to: (1) protect the public from unreasonable risk of death or injury; and (2) enforce safety standards of the United States as permitted under the federal motor vehicle act."  Transportation Code Section 548.003  "(a) The department may certify inspection stations to carry out this chapter..."	Strong	Moderate	To further the integration of vehicle inspections and registration initiated by enactment of House Bill 2305 by the Eighty-third Legislature, Regular Session <b>recommendation is to study whether the Texas Department of Motor Vehicles would be a better location to administer this program</b> , as is the case in other states.