

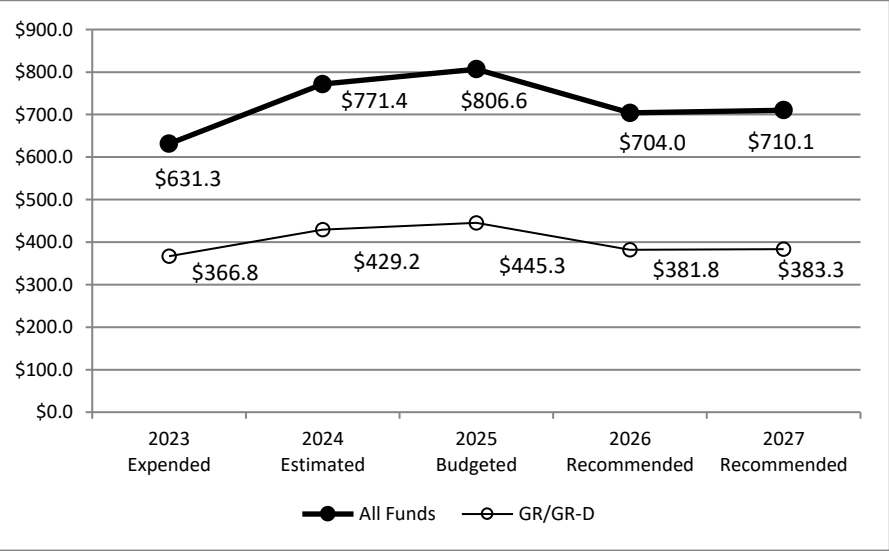
**Office of the Attorney General
Summary of Budget Recommendations - House**

Page I-3
The Honorable Ken Paxton, Attorney General
James Kesler, LBB Analyst

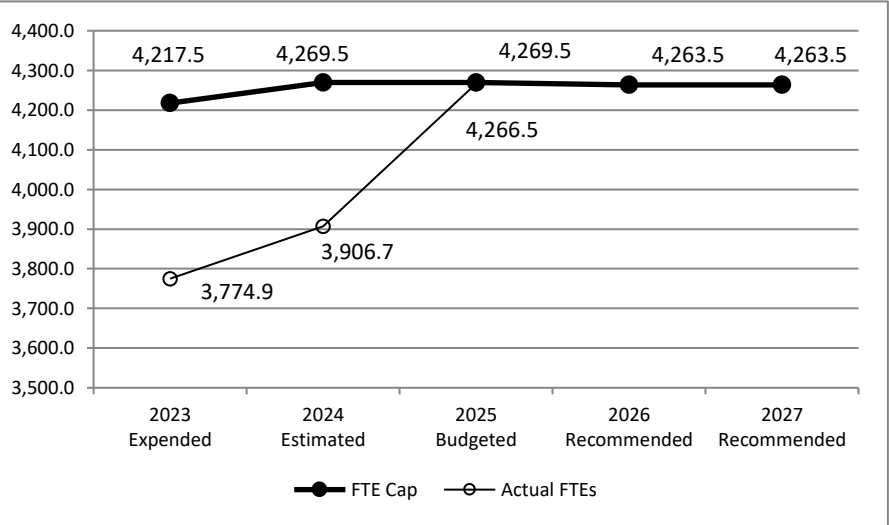
Method of Financing	2024-25 Base	2026-27 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$716,914,780	\$601,295,662	(\$115,619,118)	(16.1%)
GR Dedicated Funds	\$157,571,804	\$163,817,105	\$6,245,301	4.0%
<i>Total GR-Related Funds</i>	<i>\$874,486,584</i>	<i>\$765,112,767</i>	<i>(\$109,373,817)</i>	<i>(12.5%)</i>
Federal Funds	\$511,249,487	\$469,088,954	(\$42,160,533)	(8.2%)
Other	\$192,335,610	\$179,906,330	(\$12,429,280)	(6.5%)
All Funds	\$1,578,071,681	\$1,414,108,051	(\$163,963,630)	(10.4%)

	FY 2025 Budgeted	FY 2027 Recommended	Biennial Change	Percent Change
FTEs	4,266.5	4,263.5	(3.0)	(0.1%)

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2026-27 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2026-27 biennium.

**Office of the Attorney General
Summary of Funding Changes and Recommendations - House**

Funding Changes and Recommendations for the 2026-27 Biennium compared to the 2024-25 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
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SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):

A)	Recommendations reverse an agency requested method of finance swap from General Revenue Dedicated Account 469, Compensation to Victims of Crime, to General Revenue. The reversal includes a net decrease of \$23,545,613 to remove Federal Funds matching amounts associated with the Method of Finance swap.	\$0.0	\$0.0	(\$23.5)	\$0.0	(\$23.5)	Multiple
B)	Method of finance swap of \$10,787,056 from General Revenue Fund 787, Child Support Retained Collection Account (Recovered Assistance) to General Revenue Fund 1 due to anticipated reductions in Recovered Assistance.	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	B.1.1
C)	Decrease of \$36,000,000 in General Revenue to remove funding for the Landowners Compensation program.	(\$36.0)	\$0.0	\$0.0	\$0.0	(\$36.0)	C.1.3
D)	Removal of \$15,734,606 in General Revenue and \$38,527,798 in Federal Funds in one-time costs related to the completion of Phase III of the Child Support IT Modernization project in Strategy E.1.1, Agency IT projects.	(\$15.7)	\$0.0	(\$38.5)	\$0.0	(\$54.3)	E.1.1
E)	Reconciliation of \$3,485,000 in General Revenue, and \$7,065,000 in Federal Funds, from Strategy E.1.1, Agency IT Projects, to Strategy B.1.1, Child Support Enforcement, for ongoing operational costs associated with the Child Support IT program (ChAMPS).	\$0.0	\$0.0	\$7.1	\$0.0	\$7.1	B.1.1 and E.1.1
F)	Decrease of \$46,159,359 in General Revenue to remove one-time funding for the following: - Google litigation UB from the 2022-23 biennium (\$36,930,599); - Legal Case Modernization System (\$3,900,000); - Startup implementation of the Texas Data Privacy and Security Act (\$4,063,850); - UB from fiscal year 2023 supplemental appropriations, including vehicle funding (\$1,254,910).	(\$46.2)	\$0.0	\$0.0	\$0.0	(\$46.2)	A.1.1 and B.1.1

OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):

G)	Reallocation of the remaining \$628,048 in General Revenue from Strategy E.1.1, Agency IT Projects, to Strategy B.1.1, Child Support Enforcement, to be used for Child Support Enforcement salaries.	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	B.1.1 and E.1.1
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**Office of the Attorney General
Summary of Funding Changes and Recommendations - House**

Funding Changes and Recommendations for the 2026-27 Biennium compared to the 2024-25 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
H)	Increase of \$8,177,838 in General Revenue, \$582,692 in General Revenue-Dedicated, and \$7,464,396 in Federal Funds to biennialize the statewide salary adjustment.	\$8.2	\$0.6	\$7.5	\$0.0	\$16.2	Multiple
I)	Removal of one-time excess revenue collections of General Revenue in the 2024-25 biennium not continued into the 2026-27 biennium, including \$6,352,991 in interest deposited into General Revenue Fund 1, and \$19,550,000 in Recovered Assistance collections deposited into General Revenue Fund 787, Child Support Retained Collections.	(\$25.9)	\$0.0	\$0.0	\$0.0	(\$25.9)	B.1.1
J)	Decrease of \$2,000,000 in General Revenue-Dedicated Account 469 to remove funding to provide one-time lump sum payments to certain survivors of the Texas military pursuant to House Bill 90 (88R).	\$0.0	(\$2.0)	\$0.0	\$0.0	(\$2.0)	C.1.1
K)	Increase of \$18,914,077 in Federal Funds for projected award amounts, offset by a decrease of \$13,530,000 to remove funding related to other one-time projects.	\$0.0	\$0.0	\$5.4	\$0.0	\$5.4	A.1.1, B.1.1, and C.1.1
L)	Decrease of \$12,107,269 in Appropriated Receipts, primarily from related court costs, and a decrease of \$322,011 in anticipated Interagency Contracts.	\$0.0	\$0.0	\$0.0	(\$12.4)	(\$12.4)	A.1.1, B.1.1, D.1.1, and F.1.1
M)	Increase of \$7,662,609 in General Revenue Dedicated Account 469 to fund a contingency rider relating to victims of family violence.	\$0.0	\$7.7	\$0.0	\$0.0	\$7.7	C.1.1
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		(\$115.6)	\$6.2	(\$42.2)	(\$12.4)	(\$164.0)	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$8.2	\$8.2	\$19.9	\$0.0	\$36.3	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		(\$123.8)	(\$2.0)	(\$62.1)	(\$12.4)	(\$200.3)	As Listed

NOTE: Totals may not sum due to rounding.

**Office of the Attorney General
Selected Fiscal and Policy Issues - House**

- Agency Requested Method of Finance Swaps.** In their Legislative Appropriations Request, the agency included a method of finance swap of \$15.2 million from General Revenue Dedicated Account 469, Compensation to Victims of Crime, to General Revenue. This swap would allow the agency to use available Federal Funds prior to their expiration to maintain funding for the Crime Victims Compensation program. Recommendations reverse this swap, as well as reduce Federal Funds by \$38,246,208 from the agency request, or \$23,546,208 from 2024-25 levels, to remove matching amounts associated with the swap.

The agency requested, and recommendations include, a second MOF swap of \$10,787,056 from General Revenue Fund 787, Child Support Retained Collections, to General Revenue within Strategy B.1.1, Child Support Enforcement. This swap was requested due to a projected decrease in the amount of Recovered Assistance available.

	<u>MOF Swap Within GR</u>	<u>GR Fund 1</u>	<u>GR Fund 787</u>	<u>All Funds</u>
B.1.1.	Child Support Enforcement	\$ 10,787,056.00	\$ (10,787,056.00)	\$ -
Total		\$ 10,787,056.00	\$ (10,787,056.00)	\$ -

- Child Support IT Modernization Phase III.** Phase III is the final phase of the OAG’s Child Support IT Modernization Project (ChAMP) and is expected to begin operations in April 2025. According to the agency’s October Steering Committee update, Phase III is on time and on budget.

Strategy E.1.1 was created by the 86th Legislature specifically to facilitate Phases I and II of the modernization project. Of the \$19.8 million in General Revenue (\$58.4 million in All Funds) appropriated for this purpose, \$15.7 million in General Revenue and \$38.5 million in Federal Funds were removed, as they reflect the one-time needs of Phase III. The remaining \$4.1 million in General Revenue were reallocated to Strategy B.1.1, Child Support Enforcement, of which \$3.5 million is for ongoing maintenance of the project and \$0.6 million is to support salaries within that strategy. The agency did not request funding for this strategy in their request. Ongoing support of the ChAMP system in the 2026-27 biennium includes \$7.1 million in Federal Funds for a total of \$10.6 million for the biennium.

- Landowners Compensation Program.** The Office of the Attorney General's Landowners Compensation (LOC) program was established by the 88th Legislature (SB 1133, 88th R.S.) to provide compensation of up to \$75,000 for property damage caused by trespass in connection with a crime related to the U.S.-Mexico border. The agency did not request General Revenue to continue the program in the 2026-27 biennium.

This program expires on the second anniversary of the date that all money appropriated for the program has been expended (Code of Criminal Procedure, 56.C.007). **The Legislature would need to amend the law or appropriate funding in the 2026-27 biennium to continue the LOC program.**

The agency provided the following cumulative claims data from the start of the program on September 1, 2023, through October 31, 2024:

Total claims received: 56
 Approved: 20
 Denied: 14
 Appeals: 2
 Duplicates: 10
 Closed: 26

Total awards through October 31, 2024: \$106,417

4. **Rider 7, Appropriation of Receipts, Court Costs.** The OAG collects court costs and attorneys’ fees from cases in which the state recovers penalties or damages. For budgetary purposes, these collections are recorded as Appropriated Receipts. The amounts collected do not relate to established fee rates or amounts, but instead, they are awarded to the OAG at the sole discretion of the courts. These collections are used by the agency for operations within Strategy A.1.1, Legal Services. Estimates for the total Appropriated Receipts anticipated to be collected in the biennium are included in Rider 7, Appropriation of Receipts, Court Costs, and are factored into the agency’s appropriations at \$27,000,000 per fiscal year. The rider also provides the agency appropriation authority for excess collections of up to \$10.0 million per fiscal year. The agency anticipates an unexpended balance of \$38,942,201 from the 2024-25 biennium, also included in recommendations. Additionally, Rider 7 requires the agency to maintain records related to receipts and distributions to court costs, following rules and procedures outlined by the Comptroller of Public Accounts. This language was added in the 88th Legislature to allow the LBB and CPA to independently verify Appropriated Receipt expenditure amounts reported in the agency’s LAR or Operating Budget. The Comptroller’s Office reviews the agency’s collections on a quarterly basis and has indicated that agency is in compliance.

5. **Attorney General Attorney Salaries.** 2024-25 General Appropriations Act Rider 40, Targeted Salary Increases for Attorneys, allocated \$6.0 million in General Revenue for each fiscal year to provide salary increases for Assistant Attorney Generals (AAGs) I-V. The agency supplemented this with \$2.4 million each year in Federal Funds for Child Support Enforcement. Prior to distributing targeted salary increases, the OAG realigned pay levels for each Attorney General classification level.

The agency submitted the following on implementation progress of these salary increases in FY 2024:

Position	Funding Allocated	Positions Funded
AAG I	\$ 643,798	69
AAG II	\$ 615,858	47.5
AAG III	\$ 1,226,511	82.8
AAG IV	\$ 3,211,043	207
AAG V	\$ 2,011,034	183.7
Total spent as of 8/31/2024	\$ 7,708,244	590

Additionally, per Rider 41, Assistant Attorney General Salary Increase Notification, the agency is required to report to the Legislative Budget Board salary increases for the following:

- Assistant Attorney General VI;
- Assistant Attorney General VII;
- Deputy Attorney General
- First Assistant Attorney General

According to agency reports, in FY 2024, there were 83 salary increases for Assistant Attorney Generals VI and VII, and 9 salary increases for Deputy Attorney Generals and the First Assistant Attorney General.

Recommendations include deleting both Rider 40 and Rider 41 as requested by the agency.

- 6. **Google AdTech Litigation.** The Office of the Attorney General’s lawsuit against Google is ongoing with a trial date expected in March 2025. The agency carried forward \$36,930,599 from the 2022-23 biennium into the 2024-25 biennium for this case. The agency projects expenditures of \$23,777,726 in FY 24 and \$13,152,873 in FY 25 to fully utilize available funding. Because the case will be completed in the current biennium, recommendations remove Rider 43, Appropriation for Outside Legal Counsel and Litigation Services, per the agency’s request.
- 7. **Victims Assistance Grants.** Through Strategy C.1.2. Victims Assistance, the Office of the Attorney General coordinates with law enforcement entities, prosecutors’ offices, other state agencies, and nonprofit organizations to provide grants and contracts supporting victim-related services. This assistance covers medical costs, lost wages, counseling, funerary costs, and other expenses authorized by law.

Program	Est./Bud. 2024-25 Biennium Total	Rec./Req. 2026-27 Biennium Total	Biennial Difference
Victims Assistance Coordinators and Victims Liaisons	\$ 4,873,972	\$ 4,878,286	\$ 4,314
Sexual Assault Prevention and Crisis Services Program	\$ 53,421,425	\$ 53,464,766	\$ 43,341
Sexual Assault Statewide Services Program	\$ 4,048,936	\$ 4,048,936	\$ -
Legal Services Grants	\$ 5,000,000	\$ 5,000,000	\$ -
Other Victim Assistance Grants	\$ 21,872,124	\$ 21,885,516	\$ 13,392
Statewide Victim Notification System	\$ 6,070,664	\$ 6,079,480	\$ 8,816
Address Confidentiality	\$ 341,008	\$ 346,938	\$ 5,930
Total	\$ 95,628,129	\$ 95,703,922	\$ 75,793
Method of Finance			
General Revenue	\$ 56,516,760	\$ 56,543,282	\$ 26,522
GR-D Victims of Crime Auxiliary Fund No. 0494	\$ 341,008	\$ 346,938	\$ 5,930
GR-D Sexual Assault Program Account No. 5010	\$ 32,345,593	\$ 32,388,934	\$ 43,341
Federal Funds	\$ 6,424,768	\$ 6,424,768	
Total	\$ 95,628,129	\$ 95,703,992	\$ 75,793

Increase in funding is related to the biennialization of salary adjustments provided for in the 2024-25 biennium.

8. **Crime Victims Compensation Program: Performance Reporting.** The Office of the Attorney General (OAG) is charged with administering the state’s Crime Victims Compensation (CVC) Program, which provides victims of violent crime financial assistance for certain crime-related expenses. Expenditures are made through Strategy C.1.1, Crime Victims Compensation, using GR-D Account 469 and federal awards from the Victims of Crime Act.

Included in the bill pattern are changes to the Key Efficiency Measures for this strategy. These changes separate the Average Number of Days to Make an Award for Victim Compensation Claims from the Average Number of Days to Pay Forensic Sexual Assault Exams. This change is intended to clarify the agency’s performance metrics for the CVC program. For the key measure for the 2024-25 GAA, Average Number of Days to Analyze a Claim and Make an Award, the agency reported actual performance of 54.91 days. In contrast, the agency requested, and recommendations include, targets of 90 and 7 days, respectively for the Average Number of Days to Make an Award for Victim Compensation Claims and the Average Number of Days to Pay Forensic Sexual Assault Exams.

Related, the CVC program has lagged behind its target values for the amount of compensation awarded each fiscal year. The agency has primarily cited staff shortages for this trend. The agency reported Crime Victims Compensation awarded at \$58.7 million in FY 2023 and \$77.4 million in FY 2024. In contrast, the targets for those years were, respectively \$76.3 million and \$82.6 million.

9. **GRD Account 469, Compensation to Victims of Crime.** GR-D Account 469 consists of revenue generated from various legal fees and court costs collected by the state along with a federal matching amount calculated based on previous state expenditures. The majority of expenditures from the fund are used for the Office of the Attorney General’s Crime Victims Compensation (CVC) program. The table below identifies related funding across agencies for fiscal years 2023-2027.

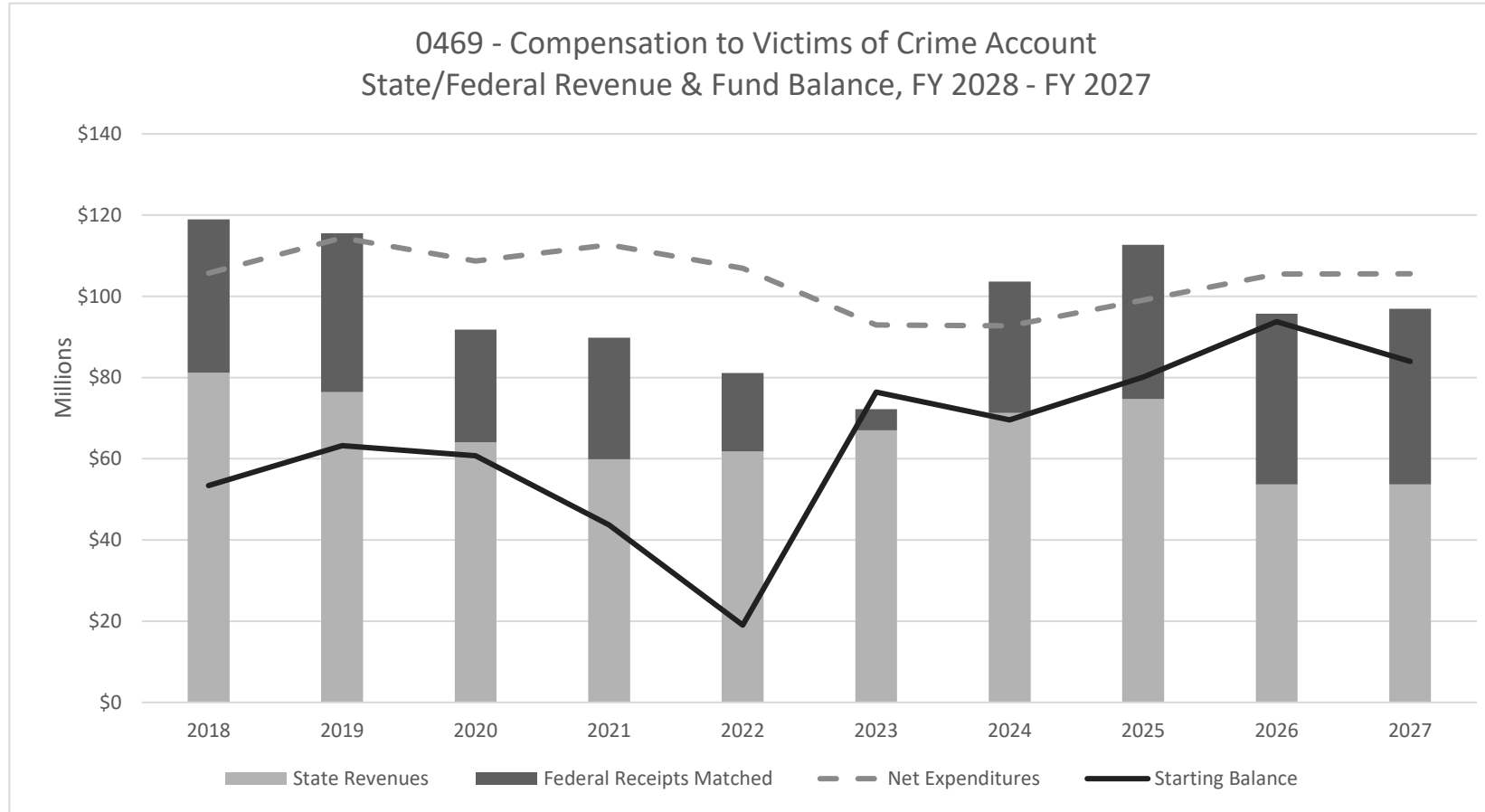
Agency Program	Exp. 2023	Est. 2024	Bud. 2025	Rec. 2026	Rec. 2027
OAG Crime Victims Compensation	\$ 60,231,390	\$ 58,397,396	\$ 58,983,272	\$ 61,494,273	\$ 61,891,064
OAG Victims Assistance Grants	\$ 13,127,702	\$ -	\$ -	\$ -	\$ -
OAG Employee Benefits	\$ 1,428,452	\$ 1,572,922	\$ 1,572,922	\$ 1,572,992	\$ 1,572,992
HHSC Family Violence Services	\$ 10,237,356	\$ -	\$ -	\$ -	\$ -
ERS Administration Retirement, Public Safety Benefits	\$ 1,921,780	\$ 345,704	\$ 345,704	\$ 345,704	\$ 345,704
Comptroller - Payment of Miscellaneous Claims	\$ -	\$ 1,960	\$ -	\$ -	\$ -
Article IX Transfers for Statewide Allocated Costs	\$ 171,932	\$ 172,758	\$ 172,758	\$ 172,758	\$ 172,758

The account experienced revenue shortfalls beginning in 2020. In response, the 87th Legislature appropriated \$43.1 million in General Revenue into the account, and an additional \$54.7 million in the third called session from Coronavirus State Fiscal Recovery funds. In addition, the 88th Legislature did three Method of Finance swaps to reduce expenditures from the account, including:

- Replacing \$16.0 million for OAGs CVC program with Federal VOCA funds.
- Replacing \$28.4 million for OAGs Victims Assistance Grants with General Revenue.
- Replacing \$28.4 million for HHSCs Child Advocacy Grants with General Revenue.

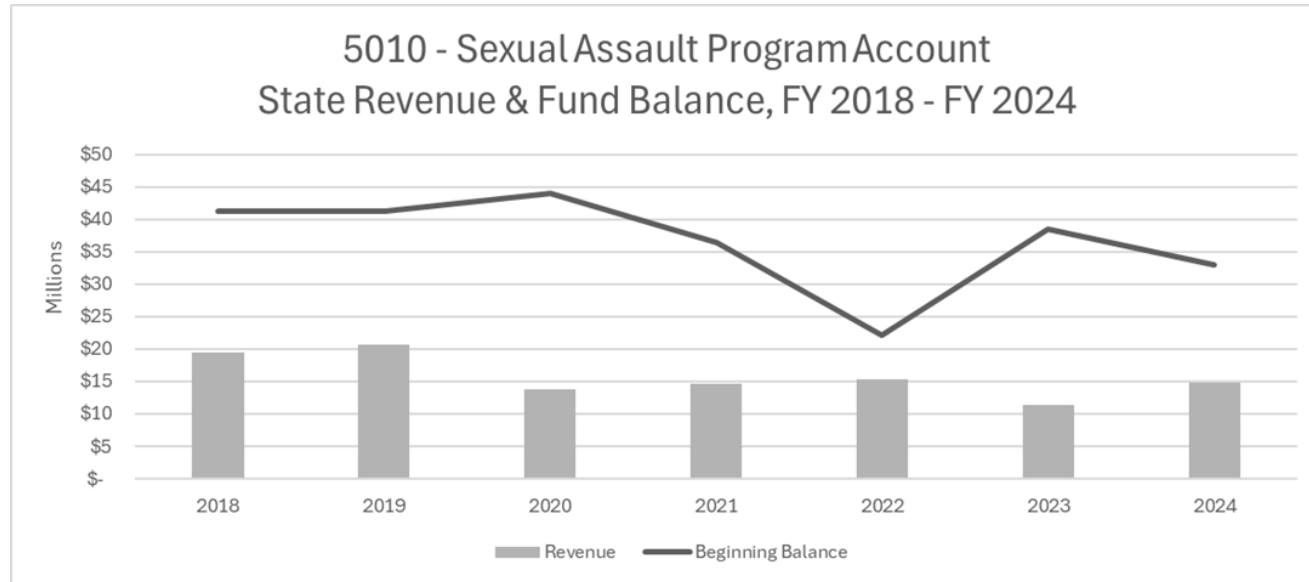
In late 2024, the Federal Communications Commission (FCC) adopted a rule restricting the collection of telephone fees from prison inmates by state governments. These fees have historically been deposited by the state into Fund 469 as a major source of revenue for the fund. As a result, the agency predicts a loss of \$40,454,048 in revenue to Fund 469 in the 2026-27 biennium.

As a result of these factors, the estimated ending fund balance for fiscal year 2027 is \$75.4 million. The following table shows the revenues and balances of the account in fiscal year 2018 to 2027.



Source: Comptroller of Public Accounts Cash Reports for FY 2017 through FY 2023. OAG estimates for FY 2024 through FY 2027.

10. **GRD Account 5010, Sexual Assault Program Account.** GR-D Account No. 5010 was created to receive community and parole supervision and probation fees from individuals convicted of sexually related offenses, as well as professional fees collected from sexually oriented businesses. GR-D Account No. 5010 funds are used for grants to increase awareness and prevention of sexual violence, to aid victims of human trafficking, to support sexual assault nurse examiner programs, and to increase services across the state for victims of sexual assault. The chart below shows revenues and balances for the account from fiscal year 2018 to 2024.



Source: Comptroller of Public Accounts Annual Cash Reports for fiscal years 2018 through 2024.

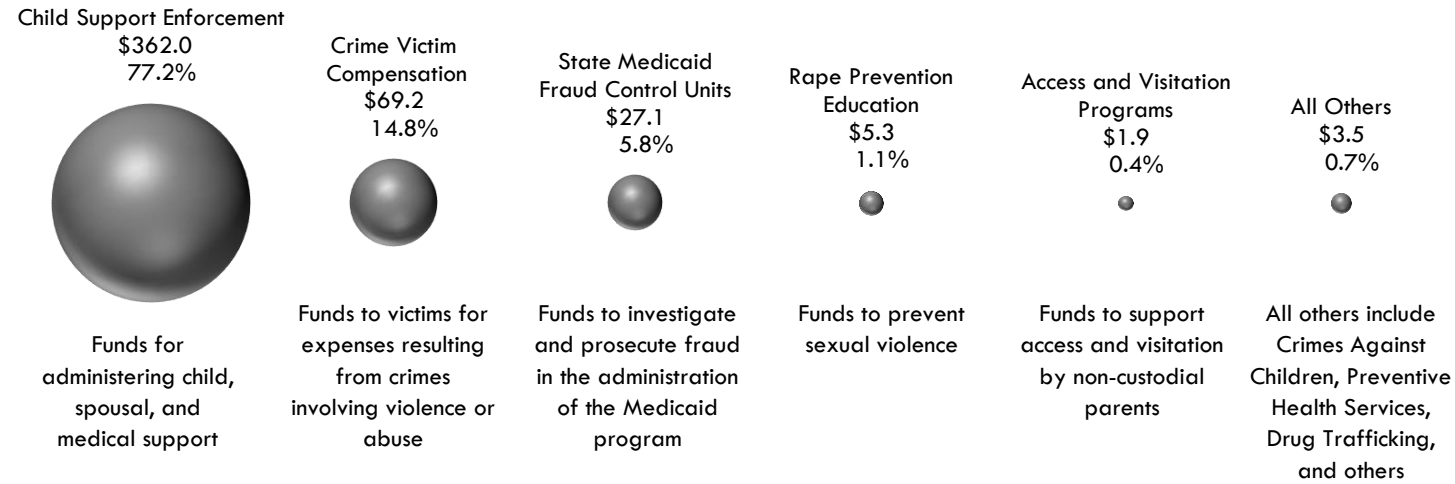
Aside from the Office of the Attorney General, appropriations out of GR-D Account No. 5010 are made to the Supreme Court (SCOT), the Governor’s Office Trusteed Programs, the Department of Public Safety (DPS), and the Health and Human Services Commission (HHSC).

Agency	Est./Bud. 2024-25 Total	Requested 2026-27 Total	Biennial Difference
SCOT	\$ 10,000,000	\$ 10,000,000	\$ -
Governor’s Office Trusteed Programs	\$ 3,143,609	\$ 2,000,000	\$ (1,143,609)
OAG	\$ 32,345,593	\$ 32,388,934	\$ 43,341
DPS	\$ 10,335,324	\$ 10,579,798	\$ 244,474
HHSC	\$ 10,000,000	\$ 10,000,001	\$ 1
Total	\$ 65,824,526	\$ 64,968,733	\$ (855,793)

Office of the Attorney General

Summary of Federal Funds (2026-27) - House

Total \$469.1M

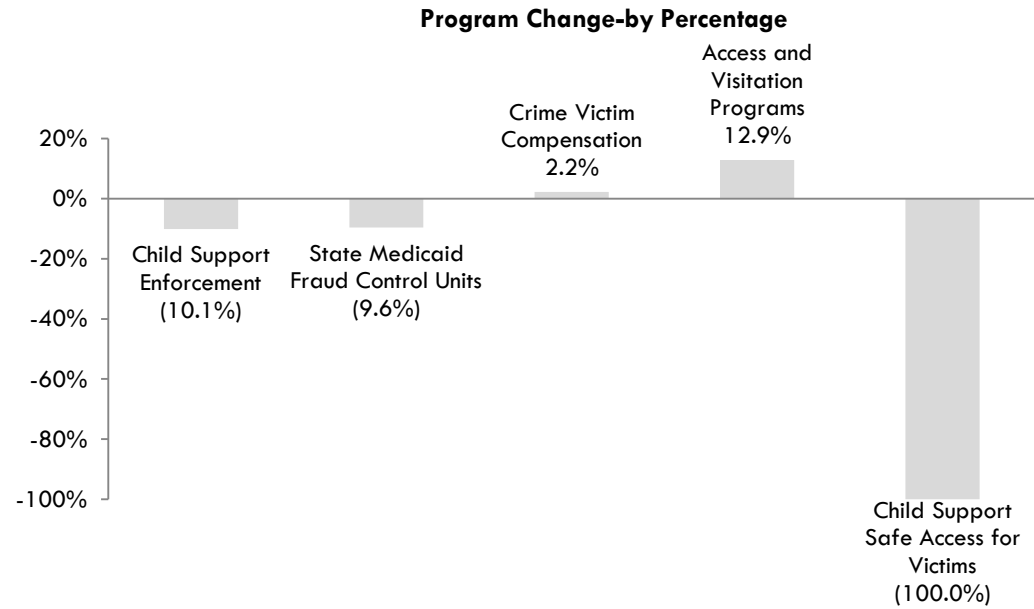
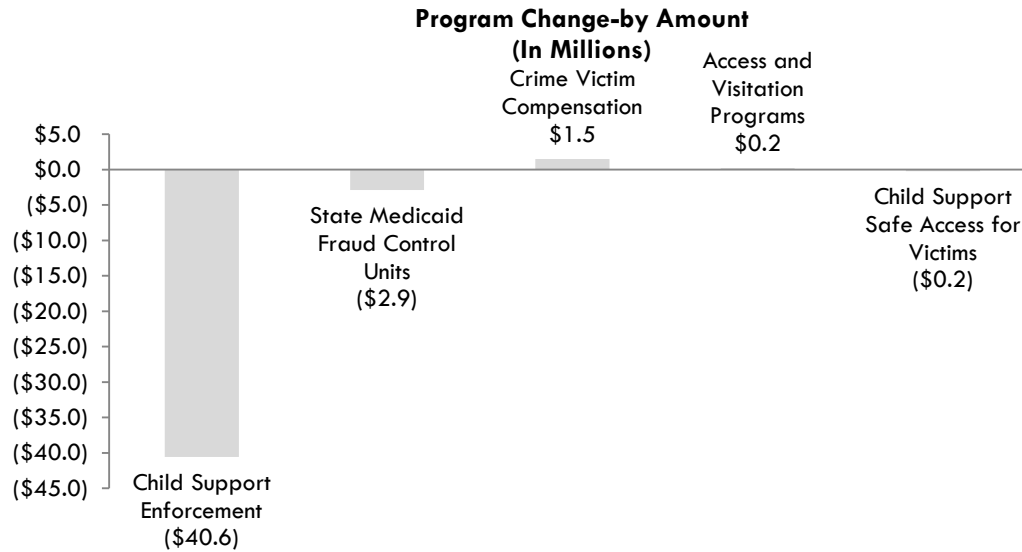


Selected Federal Fiscal and Policy Issues

Federal Funds decrease by \$42.2 million from 24-25 to 26-27. This is largely attributable to a \$40.6 million reduction in Child Support Enforcement (CSE).

CSE funding declines due to a reduction in GR and GR-D allocations for the program. As expenditures drop, the agency's 66% Federal Match Reimbursement Rate also decreases, leading to a reduction in overall funds for this program.

Programs with Significant Federal Funding Changes from 2024-25



**Office of the Attorney General
Rider Highlights - House**

Modification of Existing Riders

1. Capital Budget. Recommendations include amounts for the following projects:

- **Data Center Consolidation.** Project is continued at \$126,734,182, a decrease of \$7,493,410 from the 2024-25 biennium.
- **Crime Victims Management System – Enhancements and Support.** Project is continued at \$700,000. There is no change in funding level from the 2024-25 biennium.

The following items are added to the Capital Budget Rider:

- **Child Support Optimization Project.** Project is added at \$5,643,358 in FY 26 and \$5,827,571 in FY 27, for a biennial total of \$11,470,929.
- **Lavaca Building Buildout.** Project is added at \$3,000,000 in FY 26 and \$0 in FY 27 to allow the OAG to work with the Texas Facilities Commission to incorporate specialty requirements for the agency during the construction of the Lavaca Building in the 2026-27 biennium.
- **William P. Clements Office Building Improvements.** Project is added at \$750,000 in FY 26 and \$0 in FY 27.
- **Admin/Legal Laptop Refresh.** Project is added at \$0 in FY 26 and \$3,405,812 in FY 2027.

The following items are removed from the Capital Budget Rider due to anticipated project completion:

- **Child Support Hardware/Software Enhancements.**
- **Consumer Data Privacy System.**
- **CS IT System Modernization Phase III.**
- **Legal Case Legacy Modernization.**
- **Legal/Child Support Mainframe Decommissioning.**

7. **Appropriation of Receipts, Court Costs.** Recommendations include estimates of \$27.0 million per fiscal year in expected Appropriated Receipts for the 2026-27 biennium. This is an increase of \$2.0 million in each fiscal year from 2024-25.
19. **Unexpended Balances Carried Forward Between Biennia.** Recommendations revise estimated unexpended balances to be carried forward from the 2024-25 biennium to the 2026-27 biennium to be \$38,942,201.
33. **Report on Certain Litigation.** Recommendations include modifying Rider 33 to add the Legislative Budget Board as a recipient of the report concerning expenditures on Election Code enforcement litigation mandated by the rider.

The following riders include recommendations to remove obsolete language, make conforming changes such as updating fiscal years and amounts to reflect funding recommendations, and clarify deadlines:

Rider 3, Cost Allocation, Reporting Requirement
Rider 4, Child Support Collections
Rider 7, Appropriation of Receipts, Court Costs

Rider 9, Victims Assistance Grants
 Rider 10, Child Support Contractors
 Rider 11, Unexpended Balances: Between Fiscal Years within the Biennium
 Rider 12, Transfer Authority
 Rider 15, Interagency Contract with the Texas Department of Transportation
 Rider 16, Bond Review Fees
 Rider 17, Excess Incentive Collections
 Rider 19, Unexpended Balances Carried Forward Between Biennia.
 Rider 20, State Office of Risk Management
 Rider 21, Cash Flow Contingency
 Rider 22, Annual Child Support Service Fee
 Rider 23, Monthly Child Support Processing Fee
 Rider 25, Outside Legal Counsel Contracts Review Fee
 Rider 26, Outside Legal Contract Reviews, Reporting Requirement
 Rider 27, Human Trafficking Prevention Task Force, Reporting Requirement
 Rider 28, Major Information Resources Project Oversight
 Rider 30, Human Trafficking Prevention
 Rider 31, Child Support Transferability
 Rider 33, Report on Certain Litigation
 Rider 34, Child Support Enforcement Salary Limitations
 Rider 35, Report on Use of Public Information Act Exceptions
 Rider 36, Legal Services Transferability and Reporting
 Rider 37, Federal Forfeitures
 Article IX, 7.10 Border Security
 Article IX, 13.10 Definition, Appropriation, and Audit of Earned Federal Funds

New Riders

39. **Contingency for SB ____.** A rider is added that would appropriate \$3,885,172 in FY 2026 and \$3,777,437 in FY 2027 from GR-D Account 469, in addition to 3.0 FTEs, contingent on enactment of legislation relating to compensation to victims of family violence.

Deleted Riders

38. **Contingency for Legislation Relating to Sexually Oriented Business Fee.** Relevant legislation failed to become law.
39. **Data Intelligence Solutions Portal IT Project.** Agency requested deletion. Funding for this item is included in the agency's exceptional item #5 for Legal Services Optimization system.
40. **Targeted Salary Increases for Attorneys.** Funding for attorney targeted salary increases were provided for the 2024-25 biennium. Rider identifying funding is no longer required.
41. **Assistant Attorney General Salary Increase Notification.** Rider is associated with Rider 40, Targeted Salary Increases for Attorneys, and reporting requirements are no longer required.

- 43. **Appropriation for Outside Legal Counsel and Litigation Services.** Funds are removed from base budget due to anticipated completion of Google litigation in the 2024-25 biennium.

**Office of the Attorney General
Items Not Included in Recommendations - House**

	2026-27 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2028-29
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items Not Included (In agency priority order)

1)	<p>Salary Increases for OAG Staff. Agency is requesting additional funds for salary increases. The OAG cites that their average salaries are \$6,000 lower than the average at other Article 1 agencies, in addition to issues with employees leaving for higher pay at other state agencies. The funding will cover a 6% pay raise in each of the 2026 and 2027 fiscal years. Funding is split across six strategies.</p>	\$37,019,499	\$62,625,825	0.0	No	No	\$84,319,738
2)	<p>OAG Law Enforcement Agency. Agency is requesting additional funds to support their Law Enforcement Division, which includes the Criminal Investigations Division (CID) and Medicaid Fraud Control Unit (MFCU). According to the agency, CID is reliant on unstable revenue sources (i.e. asset forfeitures and grants) which this item looks to address. In addition, the agency currently relies on one-time lapsed salaries and unfilled positions to fund MFCU's operational expenses and 25 percent matching requirement for Federal Funds. The request includes \$1,336,191 as an IT project for various software components.</p>	\$5,384,378	\$9,169,562	0.0	Yes	Yes	\$9,169,562
3)	<p>Law Enforcement Staff Increase. Agency is requesting an additional 19.0 FTEs, including 18.0 Commissioned Peace Officers (CPOs) and 1.0 Systems Analyst to address an increase in workload.</p>	\$7,817,653	\$7,817,653	19.0	Yes	Yes	\$3,998,368
4)	<p>Legal Services Optimization System. Agency is requesting additional funding to upgrade their case management system. This will allow for increased volume and complexity of legal cases. According to the agency, outputs include reducing processing times, improving data security, improving investigative capabilities, cost savings, and increased alignment with strategic goals.</p>	\$14,179,440	\$14,179,440	0.0	Yes	Yes	\$7,819,682

**Office of the Attorney General
Items Not Included in Recommendations - House**

	2026-27 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2028-29
	GR & GR-D	All Funds	FTEs			

Agency Rider Requests Not Included

A)	<p>Restoration of Funding. The agency is requesting a new rider to restore funding that was reallocated in SB 1 from the agency's base request. The request includes \$8,552,883 in General Revenue, \$19,550,000 in General Revenue - Child Support Retained Collection, \$807,030 in GR-Dedicated Fund 469 Compensation to Victims of Crime, and \$9,343,208 in Federal Funds across multiple strategies.</p>	\$28,909,913	\$38,253,121				\$38,253,121
B)	<p>Deletion of Rider 28, Major Information Resource Projects Oversight. The agency requests to delete Rider 28 as they have no information resources projects greater than \$25.0 million in the 2026-27 biennium. This rider requires Executive Steering Committee oversight for any projects that exceed this amount.</p>						
C)	<p>Deletion of Rider 29, FTE Expenditure Limitation. The agency is requesting deletion of Rider 29 which restricts allowable uses for funds appropriated to Strategy B.1.1, Child Support Enforcement, and Strategy B.1.2, State Disbursement Unit.</p>						
D)	<p>Deletion of Rider 34, Child Support Enforcement Salary Limitation. The agency is requesting deletion of Rider 34, which requires LBB approval for salary increases in Strategy B.1.1, Child Support Enforcement, in excess of 2 percent in each fiscal year.</p>						
E)	<p>Modification of Rider 36, Legal Services Transferability and Reporting. Rider 36 requires that the agency submits a quarterly report on Full-Time Equivalents (FTEs) to the LBB that includes specific data points and additional information as requested. The agency is requesting to delete the portion of the rider specifying the type of information to be included in the report and replacing it with a report required by the State Auditor's Office.</p>						
F)	<p>Deletion of Rider 42, Government Code Implementation. The agency is requesting deletion of Rider 42, which prohibits the agency from using funds appropriated in its bill pattern to make payments related to settlements or judgements against the agency under Government Code, Chapter 554.</p>						

**Office of the Attorney General
Items Not Included in Recommendations - House**

		2026-27 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2028-29
		GR & GR-D	All Funds	FTEs			
G)	Modification of Article IX, Section 17.11, Human Trafficking Prevention Coordination Council. The agency is requesting deletion of subsections (b) (c) and (d) of this section, which describe the OAG's role in the Council and the Council's Strategic Plan and reporting requirements.						
TOTAL Items Not Included in Recommendations		\$93,310,883	\$132,045,601	19.0			\$143,560,471

**Office of the Attorney General
Appendices - House**

Table of Contents		
Appendix	Appendix Title	Page
A	Funding Changes and Recommendations by Strategy	18
B	Summary of Federal Funds	22
C	FTE Highlights	23

**Office of the Attorney General
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS**

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
LEGAL SERVICES A.1.1	\$344,110,170	\$297,646,803	(\$46,463,367)	(13.5%)	Recommendations include: 1) An increase of \$4,092,150 in General Revenue to biennialize the statewide salary adjustments. 2) A decrease of \$36,930,599 in General Revenue to remove one-time expenses for Google Litigation Outside Counsel. 3) A decrease of \$3,900,000 in General Revenue to remove one-time funding for Legal Case Modernization. 4) A decrease of \$4,063,850 in General Revenue for the removal of one-time funding for HB 4, 88th Legislature. 5) An increase of \$191,361 from GR-D Fund 36, Department of Insurance Operating Account, to biennialize the statewide salary adjustments. 6) A decrease of \$63,753 in Federal Funds for distribution of asset forfeitures in 2024-25. 7) A decrease of \$506,833 in projected interagency contracts. 8) A decrease of \$5,281,843 in projected Appropriated Receipts.
Total, Goal A, PROVIDE LEGAL SERVICES	\$344,110,170	\$297,646,803	(\$46,463,367)	(13.5%)	

**Office of the Attorney General
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS**

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
CHILD SUPPORT ENFORCEMENT B.1.1	\$786,325,689	\$758,459,597	(\$27,866,092)	(3.5%)	Recommendations include: 1) Net increase of \$369,663 in General Revenue reallocated from other strategies. 2) An increase of \$3,820,492 in General Revenue to biennialize the statewide salary adjustments. 3) A decrease of \$6,352,991 in General Revenue to remove one-time excess interest collections appropriated in the 2024-25 biennium. 4) An increase of \$3,485,000 in General Revenue reallocated from Strategy E.1.1. to support operational costs for the agency's child support IT Program. 5) A decrease of \$1,264,910 in General Revenue to remove one-time funding including for vehicle purchases. 6) An increase of \$628,048 in General Revenue to support Child Enforcement salaries currently drawn from one-time Child Support program (ChAMP) funding. 7) An increase of \$10,787,056 in General Revenue for a MOF swap from Child Support Retained Collections Account, offset by a decrease of \$10,787,056 from Child Support Retained Collection Account for a MOF swap to General Revenue. 8) Decrease of \$19,550,000 in Child Support Retained Collections from excess collections earned in the 2024-25 biennium. 9) A decrease of \$2,593,333 in projected matching Federal Funds. 10) An increase of \$7,065,000 in Federal Funds from Strategy E.1.1 for the ongoing operational costs for ChAMPS. 11) A decrease of \$330,000 in Federal Funds to remove one-time funding for vehicle purchases. 12) An increase of \$6,857,396 in Federal Funds to biennialize the statewide salary adjustments. 13) A decrease of \$13,200,000 in one-time Federal Funds for the mainframe decommissioning project. 14) A decrease of \$6,800,457 in projected Appropriated Receipts.
STATE DISBURSEMENT UNIT B.1.2	\$26,717,334	\$26,717,334	\$0	0.0%	
Total, Goal B, ENFORCE CHILD SUPPORT LAW	\$813,043,023	\$785,176,931	(\$27,866,092)	(3.4%)	

**Office of the Attorney General
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS**

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
CRIME VICTIMS' COMPENSATION C.1.1	\$185,256,221	\$192,630,301	\$7,374,080	4.0%	1) Net decrease of \$143,725 in General Revenue for the allocation of indirect costs based on the OAG Indirect Cost Plan. 2) Increase of \$342,060 from GR-D Account 469 to biennialize the statewide salary adjustments. 3) A decrease of \$492,970 from GR-D Account 469 primarily for indirect cost allocations based on the OAG Indirect Cost Plan. GR authority was increased in other strategies as a result of this reduction. 4) A decrease of \$2,000,000 from GR-D Account 469 to remove one-time funding for HB 90 (88R) providing a lump sum payment to certain survivors of Texas military forces. 5) A net increase of \$492,970 from GR-D Account 469 for CVC payments. 6) An increase of \$7,662,609 from GR-D Account 469 for the victims of family violence contingency rider. 7) An increase of \$2,013,136 in Federal Funds financing for crime victims claim payments. 8) A decrease of \$500,000 in Federal Funds for Crime Victims Management System enhancements and support.
VICTIMS ASSISTANCE C.1.2	\$95,628,129	\$95,703,922	\$75,793	0.1%	1) An increase of \$26,522 in General Revenue, \$5,930 from Fund 494, and \$43,341 from Fund 5010 to biennialize the statewide salary adjustments.
LANDOWNER COMPENSATION C.1.3	\$36,000,000	\$0	(\$36,000,000)	(100.0%)	Decrease of \$36,000,000 in General Revenue. Agency is not requesting continuation of funding for the program.
Total, Goal C, CRIME VICTIMS' SERVICES	\$316,884,350	\$288,334,223	(\$28,550,127)	(9.0%)	

**Office of the Attorney General
Funding Changes and Recommendations by Strategy - House -- ALL FUNDS**

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
MEDICAID INVESTIGATION D.1.1	\$43,271,408	\$40,603,932	(\$2,667,476)	(6.2%)	Recommendations include: 1) An increase of \$238,674 in General Revenue to biennialize the statewide salary adjustments. 2) An increase of \$607,000 in Federal Funds to biennialize the statewide salary adjustments. 3) Decrease of \$3,488,181 in Federal Funds to remove matching amounts associated with the Method of Finance swap. 4) A decrease of \$24,969 in Appropriated Receipts.
Total, Goal D, REFER MEDICAID CRIMES	\$43,271,408	\$40,603,932	(\$2,667,476)	(6.2%)	
AGENCY IT PROJECTS E.1.1	\$58,375,452	\$0	(\$58,375,452)	(100.0%)	Recommendations include a decrease of \$19,847,654 in General Revenue and \$38,527,798 in Federal Funds as a result of the completion of the Child Support Modernization Project.
Total, Goal E, GENERAL ADMINISTRATION	\$58,375,452	\$0	(\$58,375,452)	(100.0%)	
ADMINISTRATIVE SUPPORT FOR SORM F.1.1	\$2,387,278	\$2,346,162	(\$41,116)	(1.7%)	Recommendations Include: 1) A decrease of \$225,938 in General Revenue derived from the OAG Indirect Cost Plan. 2) An increase of \$184,822 of Interagency Contracts with SORM derived from the OAGs Indirect Cost Plan.
Total, Goal F, ADMINISTRATIVE SUPPORT FOR SORM	\$2,387,278	\$2,346,162	(\$41,116)	(1.7%)	
Grand Total, All Strategies	\$1,578,071,681	\$1,414,108,051	(\$163,963,630)	(10.4%)	

**Office of the Attorney General
Summary of Federal Funds - House
(Dollar amounts in Millions)**

Program	Est 2024	Bud 2025	Rec 2026	Rec 2027	2024-25 Base	2026-27 Rec	2026-27 Rec % Total	Recommended Over/(Under) Base	% Change from Base
Child Support Enforcement	\$199.6	\$202.9	\$178.9	\$183.1	\$402.6	\$362.0	77.2%	(\$40.6)	(10.1%)
Crime Victim Compensation	\$29.7	\$38.0	\$34.0	\$35.2	\$67.7	\$69.2	14.8%	\$1.5	2.2%
State Medicaid Fraud Control Units	\$14.6	\$15.4	\$13.6	\$13.6	\$30.0	\$27.1	5.8%	(\$2.9)	(9.6%)
Rape Prevention Education	\$2.7	\$2.7	\$2.7	\$2.7	\$5.3	\$5.3	1.1%	\$0.0	0.0%
Grants to States for Access and Visitation Programs	\$0.9	\$0.7	\$1.0	\$1.0	\$1.7	\$1.9	0.4%	\$0.2	12.9%
Internet Crimes Against Children	\$0.8	\$0.8	\$0.8	\$0.8	\$1.6	\$1.6	0.3%	\$0.0	0.0%
Preventive Health and Health Services Block Grant	\$0.6	\$0.6	\$0.6	\$0.6	\$1.1	\$1.1	0.2%	\$0.0	0.0%
South West Border High Intensity Drug Trafficking Areas	\$0.2	\$0.2	\$0.2	\$0.2	\$0.4	\$0.4	0.1%	\$0.0	0.0%
Forensic DNA Backlog Reduction Program	\$0.2	\$0.2	\$0.2	\$0.2	\$0.3	\$0.3	0.1%	\$0.0	0.0%
Treasury Ntl Asset Seizure/Forfeiture	\$0.1	\$0.0	\$0.1	\$0.0	\$0.1	\$0.1	0.0%	(\$0.0)	(11.1%)
HIDTA: Houston Money Laundering Initiative	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	0.0%
Equitable Sharing Program	\$0.1	\$0.0	\$0.0	\$0.0	\$0.1	\$0.0	0.0%	(\$0.1)	(100.0%)
Child Support Enforcement Research	\$0.2	\$0.0	\$0.0	\$0.0	\$0.2	\$0.0	0.0%	(\$0.2)	(100.0%)
Child Support Safe Access for Victims Economic Security	\$0.2	\$0.0	\$0.0	\$0.0	\$0.2	\$0.0	0.0%	(\$0.2)	(100.0%)
TOTAL:	\$249.8	\$261.5	\$231.9	\$237.2	\$511.2	\$469.1	100.0%	(\$42.2)	(8.2%)

**Office of the Attorney General
FTE Highlights - House**

Full-Time-Equivalent Positions	Expended 2023	Estimated 2024	Budgeted 2025	Recommended 2026	Recommended 2027
Cap	4,217.5	4,269.5	4,269.5	4,263.5	4,263.5
Actual/Budgeted	3,774.9	3,906.7	4,266.5	NA	NA

Schedule of Exempt Positions (Cap)					
Attorney General, Group 6	\$153,750	\$153,750	\$153,750	\$153,750	\$153,750

Notes:

- a) The State Auditor's Office Reports, Executive Compensation at State Agencies (Report 25-702, October, 2024), does not indicate market average salaries for elected officials. The salary for the Attorney General is a public policy decision that is not tied directly to the market average for similar professional positions. The agency is not requesting any changes to its exempt position.
- b) The State Auditor's Office is the source for the FY 2023 and FY 2024 annual average (actual) FTE levels. In 2023, the agency expended 442.6 FTEs below their cap, or 10.5%. In 2024, the agency employed 362.8 FTEs below their cap, or 8.5%.
- c) Certain position titles at the Office of the Attorney General do not count towards the agency's FTE cap, and are not shown here.