

Section 1

Judiciary Section, Comptroller's Department  
Summary of Recommendations - Senate

Mike Reissig, Deputy Comptroller

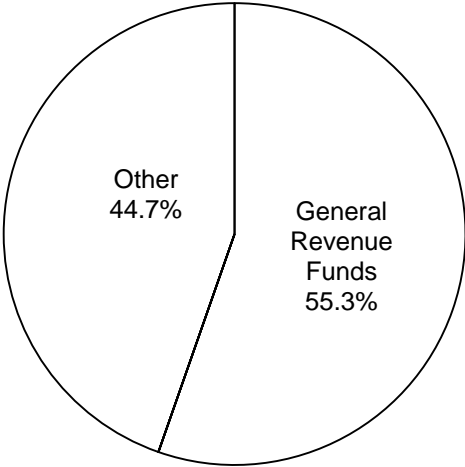
Tina Beck, LBB Analyst

Method of Financing	2014-15 Base	2016-17 Recommended	Biennial Change	% Change
General Revenue Funds	\$173,774,941	\$168,951,232	(\$4,823,709)	(2.8%)
GR Dedicated Funds	\$0	\$0	\$0	0.0%
Total GR-Related Funds	\$173,774,941	\$168,951,232	(\$4,823,709)	(2.8%)
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$130,467,167	\$136,302,154	\$5,834,987	4.5%
All Funds	\$304,242,108	\$305,253,386	\$1,011,278	0.3%

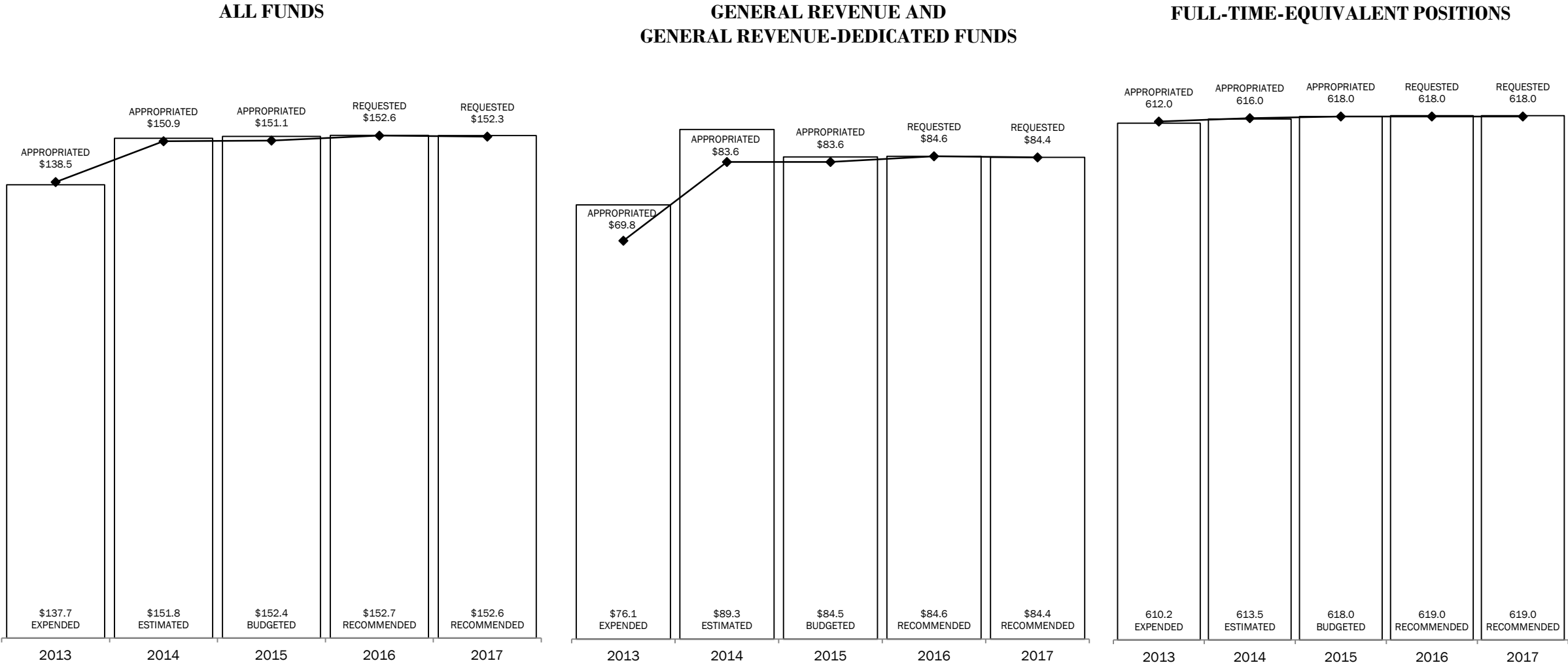
	FY 2015 Budgeted	FY 2017 Recommended	Biennial Change	% Change
FTEs	618.0	619.0	1.0	0.2%

The bill pattern for this agency (2016-17 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2016-17 biennium.

RECOMMENDED FUNDING  
BY METHOD OF FINANCING



TOTAL= \$305.3 MILLION



FY 2013 expended amounts of \$76.1 million exceed appropriated amounts of \$69.8 million, primarily due to the enactment of House Bill 1025 by the Eighty-third Legislature, which included supplemental appropriations of \$8 million in General Revenue, primarily to address a revenue shortfall in the Judicial Fund No. 573 (Other Funds) for district judge salaries. This increase was offset by lapses across several strategies at the end of fiscal year 2013, primarily in the Juror Pay strategy (D.1.8).

Expended amounts in the 2014-15 biennium exceed appropriated amounts primarily because the judicial and prosecutor pay raise triggered additional costs under Art. IX, Sec. 17.05 Payroll Contribution for Group Health Insurance. Also, in FY 2014 there was an increase of \$5.3 million from General Revenue, offset by a corresponding decrease from the Judicial Fund No. 573 (Other Funds) to address a revenue shortfall in appropriations from Fund 573 for district judge salary related payroll costs.

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Judiciary Section, Comptroller's Department  
Summary of Recommendations - Senate, By Method of Finance -- ALL FUNDS

Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
DISTRICT JUDGES A.1.1	\$130,681,193	\$131,287,859	\$606,666	0.5%	See Selected Fiscal and Policy Issue No. 1(a) and 1(e).
VISITING JUDGES - REGIONS A.1.2	\$10,577,706	\$10,577,706	\$0	0.0%	
VISITING JUDGES - APPELLATE A.1.3	\$728,958	\$728,958	\$0	0.0%	
LOCAL ADMIN. JUDGE SUPPLEMENT A.1.4	\$161,490	\$161,490	\$0	0.0%	
DISTRICT JUDGES: TRAVEL A.1.5	\$676,400	\$676,400	\$0	0.0%	
JUDICIAL SALARY PER DIEM A.1.6	\$366,313	\$366,312	(\$1)	(0.0%)	
MDL SALARY AND BENEFITS A.1.7	\$349,004	\$349,004	\$0	0.0%	
<b>Total, Goal A, JUDICIAL SALARIES AND PAYMENTS</b>	<b>\$143,541,064</b>	<b>\$144,147,729</b>	<b>\$606,665</b>	<b>0.4%</b>	
DISTRICT ATTORNEYS: SALARIES B.1.1	\$1,483,454	\$1,483,454	\$0	0.0%	
PROFESSIONAL PROSECUTORS: SALARIES B.1.2	\$43,139,105	\$43,139,104	(\$1)	(0.0%)	
FELONY PROSECUTORS: SALARIES B.1.3	\$681,069	\$681,070	\$1	0.0%	
PROSECUTORS: SUBCHAPTER C B.1.4	\$272,046	\$272,046	\$0	0.0%	
FELONY PROSECUTORS: TRAVEL B.1.5	\$357,000	\$357,000	\$0	0.0%	
FELONY PROSECUTORS: EXPENSES B.1.6	\$8,057,166	\$8,057,166	\$0	0.0%	
<b>Total, Goal B, PROSECUTOR SALARIES AND PAYMENTS</b>	<b>\$53,989,840</b>	<b>\$53,989,840</b>	<b>\$0</b>	<b>0.0%</b>	
CONST. CO. JUDGE GR/573 SUPPLEMENT C.1.1	\$4,310,000	\$4,310,000	\$0	0.0%	
CONST. CO. JUDGE 573 SUPPLEMENT C.1.2	\$2,698,794	\$2,698,794	\$0	0.0%	
STATUTORY CO. JUDGE 573 SUPPLEMENT C.1.3	\$39,643,990	\$40,002,490	\$358,500	0.9%	
					See Selected and Fiscal and Policy Issue No. 1(b). Also, includes an increase of \$50,500 redirected to Statutory County Judge Salary Supplements for the reduction of one-time start-up costs in the 2014-15 biennium for the new 1st Multicounty Court at Law service Nolan, Fisher, and Mitchell Counties.
STATUTORY PROBATE JUDGE SUPPLEMENT C.1.4	\$2,739,571	\$2,739,572	\$1	0.0%	
1ST MULTICOUNTY COURT AT LAW C.1.5	\$244,500	\$194,000	(\$50,500)	(20.7%)	
<b>Total, Goal C, CO.-LEVEL JUDGES SALARY SUPPLEMENTS</b>	<b>\$49,636,855</b>	<b>\$49,944,856</b>	<b>\$308,001</b>	<b>0.6%</b>	
ASST. PROSECUTOR LONGEVITY PAY D.1.1	\$8,769,700	\$8,769,700	\$0	0.0%	
COUNTY ATTORNEY SUPPLEMENT D.1.2	\$12,206,668	\$12,206,668	\$0	0.0%	
WITNESS EXPENSES D.1.3	\$2,802,500	\$2,802,500	\$0	0.0%	
PUBLIC INTEGRITY UNIT, TRAVIS CO. D.1.4	\$0	\$0	\$0	0.0%	
SPECIAL PROSECUTION UNIT, WALKER CO D.1.5	\$10,047,145	\$10,143,755	\$96,610	1.0%	
					See Selected Fiscal and Policy Issue No. 1(c).

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Judiciary Section, Comptroller's Department  
Summary of Recommendations - Senate, By Method of Finance -- ALL FUNDS

Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
DEATH PENALTY REPRESENTATION D.1.6	\$50,000	\$50,000	\$0	0.0%	
NATIONAL CENTER FOR STATE COURTS D.1.7	\$910,755	\$910,756	\$1	0.0%	
JUROR PAY D.1.8	\$21,763,400	\$21,763,400	\$0	0.0%	
INDIGENT INMATE DEFENSE D.1.9	\$60,000	\$60,000	\$0	0.0%	
MONTGOMERY CO - 435TH DIST CT STAFF D.1.10	\$464,181	\$464,182	\$1	0.0%	
<b>Total, Goal D, SPECIAL PROGRAMS</b>	<b>\$57,074,349</b>	<b>\$57,170,961</b>	<b>\$96,612</b>	<b>0.2%</b>	
<b>Grand Total, All Strategies</b>	<b>\$304,242,108</b>	<b>\$305,253,386</b>	<b>\$1,011,278</b>	<b>0.3%</b>	

## Section 3

### Judiciary Section, Comptroller's Department Selected Fiscal and Policy Issues - Senate

#### 1. Senate Bill 2 as Introduced

Senate Bill 2 as Introduced begins with the agency's 2016-17 baseline request and incorporate the following adjustments:

- a. **Annualize Funding for New District Courts:** an increase of \$606,667 in All Funds (\$345,800 from General Revenue and \$260,867 from the Judicial Fund No. 573 – Other Funds) to annualize costs for two new courts, and fund an additional court that will be established September 1, 2015 (including 1.0 FTE). The Eighty-third Legislature enacted legislation that established two new district courts in fiscal year 2015 (the 442<sup>nd</sup> Judicial District in Denton County and the 443<sup>rd</sup> Judicial District in Ellis County) and one new district court in fiscal year 2016 (the 450<sup>th</sup> Judicial District in Travis County).
- b. **Annualize Funding for Statutory County Judge Salary Supplements:** an increase of \$308,000 in All Funds (\$16,940 from General Revenue and \$274,120 from the Judicial Fund No. 573 – Other Funds) to annualize costs for three new courts. The Eighty-third Legislature, Regular Session, enacted House Bill 3153, which established a new statutory county court in January 2014 (Atascosa County), another court in January 2015 (Jim Wells County), and a third court in September 2015 (the County Court at Law No. 9 in Travis County).
- c. **Office Lease Payments for the Civil Division – Special Prosecution Unit:** an increase of \$96,610 from General Revenue to fund the costs of renting office space in a privately owned building to house the 16 county employees in the Civil Division. In the first week of September 2014, Civil Division staff of the Special Prosecution Unit (SPU) had to be evacuated from the Walker County building where the division was located. The building had begun to collapse into a sinkhole. Walker County had no other available space to house these employees in a county-owned building, and the SPU had no available funds in its existing budget to make rent payments for private space.
- d. **Restore Estimated Appropriation Authority for the Witness Expenses Strategy (D.1.3):** The Judiciary Section has an appropriation to reimburse counties for the travel expenses of witnesses called in criminal proceedings who reside outside of the county where the trial takes place. Prior to the 2012-13 biennium, the Judiciary Section had estimated appropriation authority for this strategy. This authority was suspended in the 2012-13 General Appropriations Act due to the statewide budget climate. The Judiciary Section reports that due to inflationary increases in travel costs, the \$1.4 million appropriated each fiscal year for these purposes is no longer sufficient to cover costs. Recommendations include reinstating estimated appropriation authority for this strategy.
- e. **Incorporate a Method of Finance Swap to Replace General Revenue with the Judicial Fund No. 573:** an increase of \$5.3 million in the Judicial Fund No. 573, offset by a decrease of the same amount from General Revenue in the 2016-17 biennium compared to 2014-15 spending levels for District Judge Salaries (A.1.1). Revenue shortfalls in the Judicial Fund resulted in the Judiciary Section making an additional draw from General Revenue in fiscal year 2014 to cover benefits proportionate by pay requirements. Although recommendations in 2016-17 reflect the expectation that Judicial Fund collections will be sufficient to fund related payroll costs, the Judiciary Section will continue to need estimated appropriation authority from General Revenue to cover any ongoing shortfall.

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2. Judicial Compensation

The Eighty-third Legislature appropriated an increase of \$34.8 million in General Revenue Funds from the biennial 2012-13 spending levels for a 12 percent judicial pay raise for judges and prosecutors whose salaries are statutorily linked to the state salary of a district judge. Senate Bill 2 as Introduced maintains funding levels for the increase in the 2016-17 biennium.

In its report to the Eighty-fourth Legislature, the Judicial Compensation Commission recommended a 5 percent pay increase in the 2016-17 biennium. Salaries linked to district judge pay are shown below:

SALARY SCHEDULE FOR POSITIONS LINKED TO THE STATE SALARY OF A DISTRICT JUDGE			
Position	State Salary 8/31/2013	State Salary 9/1/2013	Judicial Compensation Commission Proposed State Salary 9/1/2015
District Judge	\$125,000	\$140,000	\$147,000
Statutory County Judge	\$75,000	\$84,000	\$88,200
Professional Prosecutors	\$125,000	\$140,000	\$147,000
District Attorneys	\$100,000	\$112,000	\$117,600
Jackson County Criminal District Attorney and Fayette County Attorney	\$100,000	\$112,000	\$117,600
County Attorney Supplement	\$20,833 to \$62,500	\$23,333 to \$70,000	\$24,500 to \$73,500

The Judicial Compensation Commission made a few additional recommendations regarding judicial compensation in its November 2014 report.

3. Public Integrity Unit

Senate Bill 2 as Introduced does not include the reinstatement of funding for the Public Integrity Unit (PIU) of the Travis County District Attorney’s Office. Funding for the PIU for the 2014-15 biennium was vetoed by the Governor (\$7.6 million in All Funds). The PIU is requesting \$6.6 million from General Revenue to reinstate funding for the General State Investigations Division and the Insurance Fraud Division. Amounts would provide for 30 county FTEs.

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The Travis County District Attorney established the PIU in 1978 to specialize in the investigation and prosecution of crimes related to state government. Cases include fraud and financial crimes targeting various state programs, as well as state employee or official criminal wrongdoing – public corruption cases –provided that the offense or an element of the offense occurred in Travis County. The PIU does not have statewide venue over complaints involving criminal wrongdoing by public officials or state employees for offenses occurring outside of Travis County.

**Whether the Prosecution of Public Corruption Cases May be Moved to Another Entity.** Past Legislatures have explored whether the duties of prosecuting public corruption cases can be removed from Travis County to another office, such as the Office of the Attorney General (OAG). Constitutional and statutory provisions prevent the OAG from having original jurisdiction to prosecute any criminal case –including public corruption cases –unless the local prosecutor invites the OAG to assist in prosecution. This is known as the doctrine of the “right of local prosecution.” Accordingly, under current constitutional provisions, Travis County will continue to have original criminal jurisdiction over public corruption cases alleged to have occurred in Travis County. In the past, the PIU has indicated that the office is not likely to request the OAG’s assistance in the prosecution of offenses against public administration. Future legislation giving original criminal jurisdiction to the OAG may be challenged on the grounds of being an unconstitutional violation of the separation of powers doctrine that would require a constitutional amendment.

**Venue in Insurance Fraud and Motor Fuels Tax Fraud Cases.** In contrast to the original jurisdiction of the General State Division, in 1989 the Legislature enacted legislation giving Travis County statewide venue over offenses involving fraud in the insurance industry and motor fuels tax collections. These cases may be prosecuted in the local county or in Travis County, regardless of where they are committed in the state, primarily because an element of the offense is considered to have occurred in Travis County upon the filing of fraudulent tax or insurance record. Under current statutory provisions, a county encountering difficulty in prosecuting a complex financial insurance or fraud case that formerly would have been prosecuted by the PIU could ask the OAG for assistance in the prosecution.

**Impact of Vetoed Funding in the 2014-15 Biennium.** Because Travis County continues to have original jurisdiction over crimes occurring in Travis County relating to state government, the insurance industry, and tax collections, the Travis County Commissioner’s court provided funding to the PIU in fiscal year 2014 that allowed the PIU to retain 15 of 35 formerly state-funded employees (\$1.7 million). The District Attorney supplemented this amount with one-time balances from the DA’s forfeited property account to temporarily retain another 8.5 FTEs (\$730,000). By the end of the 2014-15 biennium, one-time balances from the forfeited property account are expected to be depleted.

The vetoed funding in the 2014-15 biennium had different impacts on caseloads in the PIU’s three divisions:

- a. ***General State Government Investigations Division.*** As of August 31, 2013, PIU had 235 cases pending in this division. Of this amount, 33 were cigarette/tobacco or sales tax fraud cases pending wherein the alleged offense occurred in another county. Those cases were returned to the Criminal Investigation Division (CID) of the Comptroller (CPA), which delivered those cases to the respective counties.

Because Travis County has original jurisdiction over offenses involving state government occurring in Travis County, the PIU continued to receive an estimated 180 criminal complaints in fiscal year 2014 and projects receiving a like amount in fiscal year 2015. Should state appropriations be reinstated to supplement county funding, the PIU anticipates being able to initiate an additional 115 investigations into reported wrongdoing or criminal activity in the 2016-17 biennium compared to the number of estimated and projected investigations in the 2014-15 biennium (250).

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In the event the Eighty-fourth Legislature decides not to reinstate funding for the General State Division, Travis County would continue to be responsible for allocating sufficient county resources to prosecute offenses relating to state government occurring in Travis County. Because the seat of state government is located within the county, Travis County would also continue to have a proportionately higher number of cases related to offenses involving state government, compared to other counties.

- b. **Insurance Fraud Division.** As of August 31, 2013, PIU had 22 insurance fraud cases pending wherein the alleged offense occurred in another county. Those cases were returned to the Texas Department of Insurance (TDI), which delivered the cases to the respective counties. TDI referred 2 cases to PIU in fiscal year 2014, because of offenses occurring in Travis County. However, another 71 cases were referred statewide to other prosecutors in 33 counties. TDI reports that even before the veto it routinely referred cases to other prosecutors to avoid witnesses and victims having to travel to Austin.

If funding for the Insurance Fraud Division is not reinstated, Travis County and counties statewide would continue to be responsible for funding prosecutions related to offenses occurring in their respective counties.

- c. **Motor Fuels Tax Fraud Division.** As of August 31, 2013, PIU had 11 motor fuels fraud cases pending wherein the alleged offense occurred in another county. Those cases were returned to the CPA, which delivered those cases to the respective counties. In fiscal year 2014, the CID referred 22 cases to PIU, because of offenses occurring in Travis County. Another 99 cases were referred statewide to other prosecutors in 36 counties.

Note that PIU has not requested that funding be reinstated to this division. Instead, the PIU proposes expanding its General State Division to handle all tax fraud cases, not just motor fuels tax fraud cases. If funding for this purpose is not reinstated, Travis County and counties statewide would continue to be responsible for funding prosecutions related to tax fraud offenses occurring in their respective counties.

### 4. Nolan, Fisher, and Mitchell Counties 1<sup>st</sup> Multicounty Court at Law

Senate Bill 2 as Introduced maintains FY 2015 funding levels in the 2016-17 biennium, at \$97,000 per fiscal year (\$84,000 + \$13,000) in a new Strategy, C.1.5, 1<sup>st</sup> Multicounty Court at Law. See Rider Highlights No. 9. The Eighty-third Legislature enacted legislation which abolished a county court at law serving Nolan County and created a new multicounty court at law serving Nolan, Fisher, and Mitchell counties (House Bill 3153). The Legislative Budget Board authorized the Judiciary Section to provide Nolan, Fisher, and Mitchell counties start-up costs of \$63,500 in fiscal year 2014 and ongoing costs \$13,000 in fiscal year 2015 for court personnel and operating expenses, in addition to the \$84,000 paid each fiscal year for the judge's salary supplement.

**Section 4**

**Judiciary Section, Comptroller's Department  
Performance Review and Policy Report Highlights**

<b>Reports &amp; Recommendations</b>	<b>Savings/ (Cost)</b>	<b>Gain/ (Loss)</b>	<b>Fund Type</b>	<b>Included in Introduced Bill</b>	<b>Action Required During Session</b>
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**NO RELATED RECOMMENDATIONS**

**Section 5**

**Judiciary Section, Comptroller's Department  
Rider Highlights - Senate**

- 3. **(former) Public Integrity Unit: Appropriation Source, Unexpended Balances, and Performance Reporting.** Recommendations delete the rider. (See Selected Fiscal and Policy Issue No. 3.)
  
- 3. **(new) Special Prosecution Unit: Appropriation Source, Unexpended Balances, and Performance Reporting.** Recommendations update the rider to reflect increased funding levels. (See Selected Fiscal and Policy Issue No. 1(c).)
  
- 9. **(new) Nolan, Fisher, and Mitchell Counties – 1<sup>st</sup> Multicounty Court at Law.** Recommendations add a new rider to clarify that out of amounts appropriated, an amount not to exceed \$13,000 each fiscal year is provided to supplement local costs for court personnel and other court operating expenses. (See Selected Fiscal and Policy Issue No. 4.)

Section 6

Judiciary Section, Comptroller's Department  
Items not Included in Recommendations - Senate

	2016-17 Biennial Total	
	GR & GR-Dedicated	All Funds
<b>Grantee Exceptional Items</b>		
<b><i>Special Prosecution Unit, Walker County</i></b>	\$ 575,756	\$ 679,934
The Special Prosecution Unit (SPU), headquartered in Walker County is requesting General Revenue funding to cover increased benefits costs and pay raises for the Criminal (\$114,704), Civil (\$289,826), and Juvenile (\$73,562) divisions. The SPU is also requesting \$80,000 to replace vehicles for the Civil Division. Finally, the SPU is requesting \$17,664 to better compensate the employees of the Walker County Auditor's office who administer the state funds appropriated to the SPU.		
In addition to its General Revenue request, the SPU is requesting funding from Criminal Justice Grants (Other Funds) to cover increased benefits costs (\$62,162), and insurance costs for 5 employees eligible to retire in the Criminal Division (\$42,016).		
<b><i>Public Integrity Unit, Travis County</i></b>	\$ 6,608,930	\$ 6,608,930
The PIU is requesting funding to restore basic operations for two divisions, the General State Investigations Division (\$4,094,780) and the Insurance Fraud Investigations Division (\$2,514,150). The amounts include funding for 30 county FTEs, including 15.5 positions for the General State division, 8.5 positions for the Insurance Fraud division, and 6 administrative positions. See Selected Fiscal and Policy Issue No. 3 and Rider Highlights No. 3.		
<b>Total, Items Not Included in the Recommendations</b>	<b>\$ 7,184,686</b>	<b>\$ 7,288,864</b>

Section 7

Judiciary Section, Comptroller's Department  
Summary of 10 Percent Biennial Base Reduction Options - Senate

Biennial Reduction Amounts								
Priority	Item	Description/Impact	GR and GR-Dedicated	All Funds	FTEs	Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in LBB Recs?
		In accordance with legislative appropriations request guidelines from the Legislative Budget Board, each strategy of the Judiciary Section with General Revenue and/or General Revenue - Dedicated funding was reduced by ten percent. No prioritization was made with regard to reductions. The Comptroller's Judiciary Section defers to the will of the legislature to decrease the statutorily set salaries, benefits and salary supplements of elected officials as well as decrease the funding of all other judicial programs.						
1	District Judges - Salaries		\$6,117,044	\$6,117,044	46.0		10%	No
2	Visiting Judges - Regions		\$1,016,372	\$1,016,372			10%	No
3	Visiting Judges - Appellate		\$72,896	\$72,896			10%	No
4	Local Admin Judge Supplement		\$16,148	\$16,148			10%	No
5	District Judges: Travel		\$67,640	\$67,640			10%	No
6	Judicial Salary Per Diem		\$36,632	\$36,632			10%	No
7	MDL Salary and Benefits		\$31,900	\$31,900			10%	No
8	District Attorneys: Salaries		\$70,484	\$70,484	0.5		10%	No
9	Professional Prosecutors: Salaries		\$2,034,144	\$2,034,144	14.0		10%	No
10	Felony Prosecutors: Salaries		\$34,500	\$34,500	0.3		10%	No
11	Prosecutors: SubChapter C		\$27,204	\$27,204			10%	No
12	Felony Prosecutors: Travel		\$35,700	\$35,700			10%	No
13	Felony Prosecutors: Expenses		\$805,716	\$805,716			10%	No
14	Const. Co Judge GR/573 Supplement		\$216,000	\$216,000			10%	No
15	County Attorney: Supplement		\$564,076	\$564,076			10%	No
16	Witness Expenses		\$280,252	\$280,252			10%	No
17	Special Prosecution Unit, Walker Co.		\$711,084	\$711,084			10%	No
18	Death Penalty Representation		\$5,000	\$5,000			10%	No
19	National Center For State Courts		\$91,076	\$91,076			10%	No
20	Juror Pay		\$2,176,340	\$2,176,340			10%	No
21	Indigent Inmate Defense		\$6,000	\$6,000			10%	No
22	Montgomery Co - 435th Dist. Ct.		\$46,420	\$46,420			10%	No
TOTAL, 10% Reduction Options			<u>\$14,462,628</u>	<u>\$14,462,628</u>	<u>60.8</u>	<u>\$0</u>		

Section 7

Judiciary Section, Comptroller's Department  
Summary of 10 Percent Biennial Base Reduction Options  
Agency 10% Reduction Options by Category of Reduction

