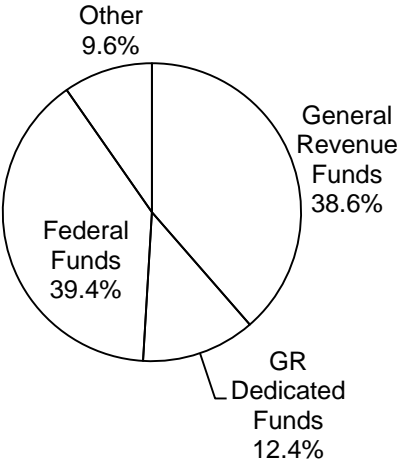


Section 1

Method of Financing	2014-15 Base	2016-17 Recommended	Biennial Change	% Change
General Revenue Funds	\$445,509,356	\$429,136,334	(\$16,373,022)	(3.7%)
GR Dedicated Funds	\$149,808,562	\$137,381,264	(\$12,427,298)	(8.3%)
Total GR-Related Funds	\$595,317,918	\$566,517,598	(\$28,800,320)	(4.8%)
Federal Funds	\$406,464,659	\$437,631,582	\$31,166,923	7.7%
Other	\$126,348,710	\$107,751,309	(\$18,597,401)	(14.7%)
All Funds	\$1,128,131,287	\$1,111,900,489	(\$16,230,798)	(1.4%)

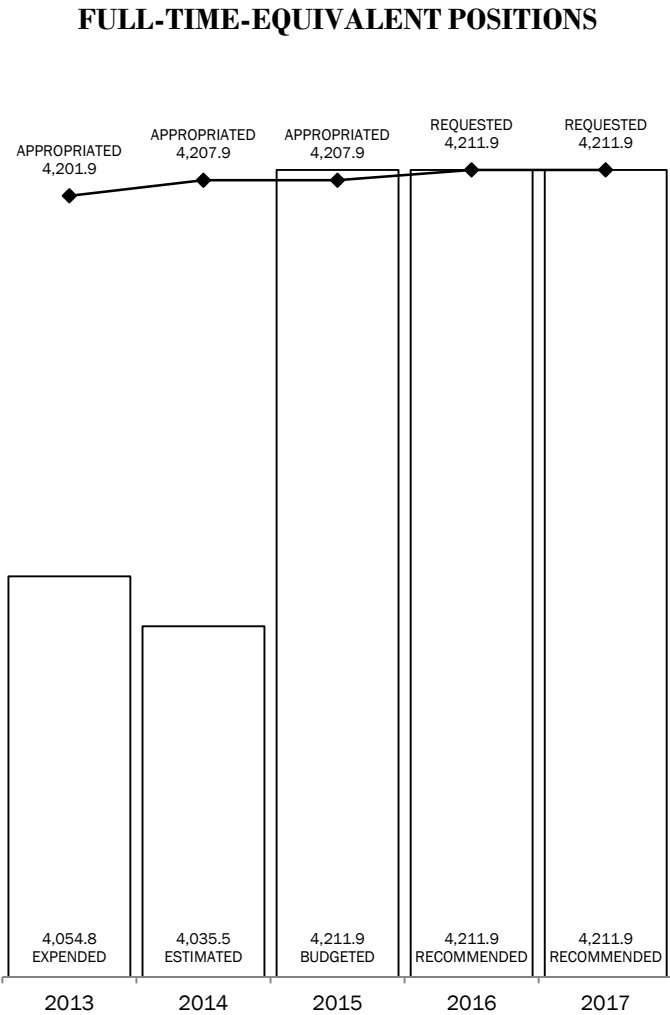
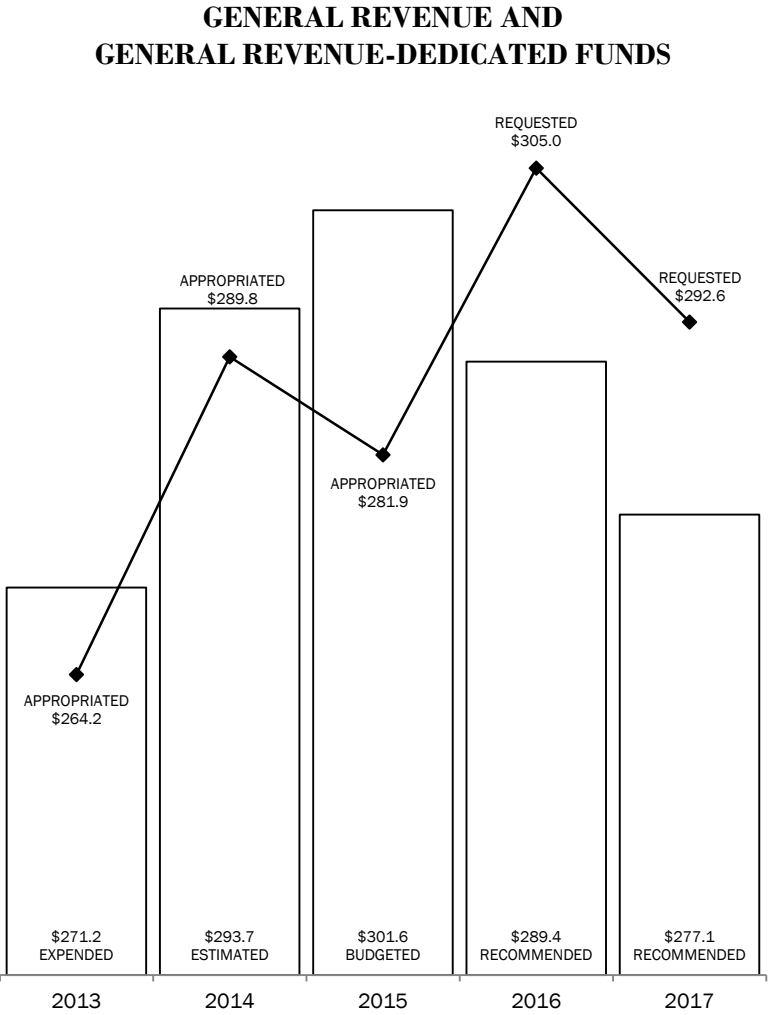
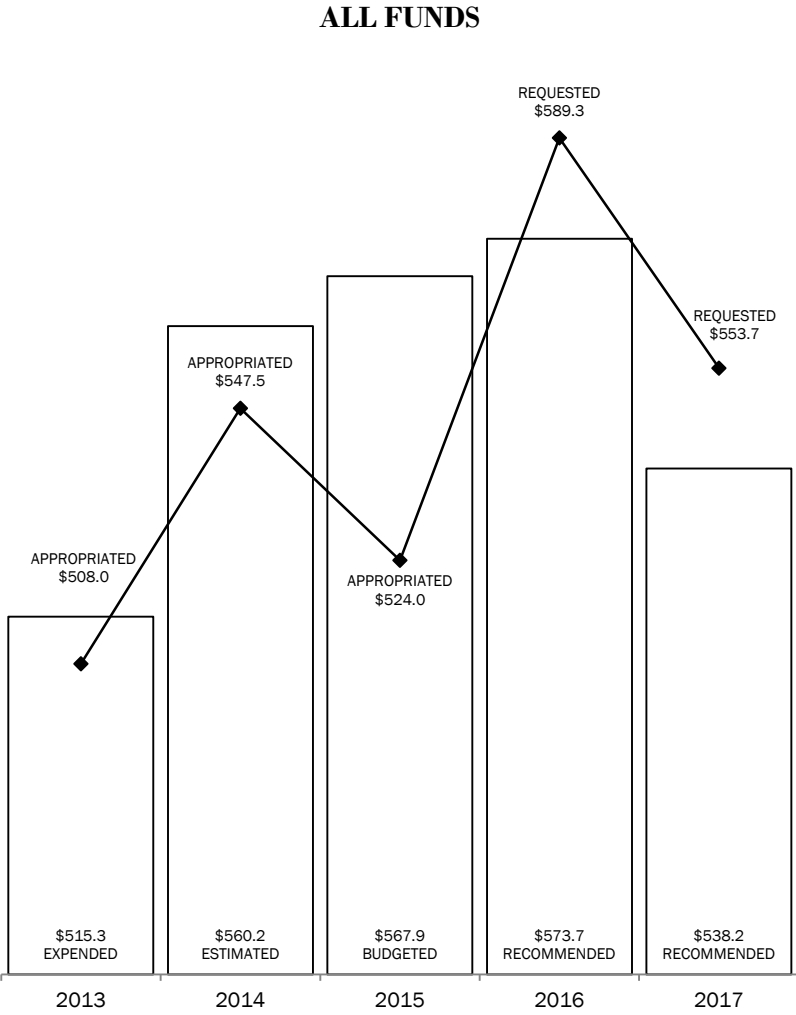
RECOMMENDED FUNDING  
BY METHOD OF FINANCING



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.

Section 1  
Office of the Attorney General  
2016-2017 BIENNIUM  
IN MILLIONS

TOTAL= \$1,111.9 MILLION



Section 2

Office of the Attorney General					
Summary of Recommendations - Senate, By Method of Finance -- ALL FUNDS					
Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
LEGAL SERVICES A.1.1	\$178,767,300	\$181,745,275	\$2,977,975	1.7%	Recommendations provide a \$41.1 million decrease in All Funds due to the transfer of funding for Court Appointed Special Advocates (CASA) and Children's Advocacy Centers of Texas (CAC) grants to the Health and Human Services Commission (HHSC), contingent on certain statutory changes. See Selected Fiscal and Policy Issues #1.
Total, Goal A, PROVIDE LEGAL SERVICES	\$178,767,300	\$181,745,275	\$2,977,975	1.7%	
CHILD SUPPORT ENFORCEMENT B.1.1	\$643,531,163	\$635,920,667	(\$7,610,496)	(1.2%)	
STATE DISBURSEMENT UNIT B.1.2	\$21,758,727	\$48,551,438	\$26,792,711	123.1%	
Total, Goal B, ENFORCE CHILD SUPPORT LAW	\$665,289,890	\$684,472,105	\$19,182,215	2.9%	
CRIME VICTIMS' COMPENSATION C.1.1	\$150,938,802	\$154,597,029	\$3,658,227	2.4%	Recommendations include an increase of \$2,298,688 in General Revenue for biennialization of the fiscal year 2015 state wide salary increase across all strategies.
VICTIMS ASSISTANCE C.1.2	\$98,184,993	\$55,955,534	(\$42,229,459)	(43.0%)	
Total, Goal C, CRIME VICTIMS' SERVICES	\$249,123,795	\$210,552,563	(\$38,571,232)	(15.5%)	
MEDICAID INVESTIGATION D.1.1	\$32,300,435	\$33,599,866	\$1,299,431	4.0%	
Total, Goal D, REFER MEDICAID CRIMES	\$32,300,435	\$33,599,866	\$1,299,431	4.0%	
ADMINISTRATIVE SUPPORT FOR SORM E.1.1	\$2,649,867	\$1,530,680	(\$1,119,187)	(42.2%)	Recommendations provide a decrease of \$0.3 million in General Revenue and \$0.8 million in Interagency Contracts for Strategy E.1.1, Administrative Support for SORM, due to the agency's indirect cost allocation rate and the agency's expected expenditure levels. The OAG provides administrative support (e.g. Human Resources, Procurement, etc.) for the State Office of Risk Management (SORM).
Total, Goal E, ADMINISTRATIVE SUPPORT FOR SORM	\$2,649,867	\$1,530,680	(\$1,119,187)	(42.2%)	
Grand Total, All Strategies	\$1,128,131,287	\$1,111,900,489	(\$16,230,798)	(1.4%)	
					Recommendations include a method of finance (MOF) swap of approximately \$12.2 million from the State Highway Fund No. 006 to an Interagency Contract with the Texas Department of Transportation (TxDOT) in Strategy A.1.1, Legal Services, for legal services provided to TxDOT. See Selected Fiscal and Policy Issues #3.
					Recommendations include a MOF swap of \$6.2 million from Appropriated Receipts from litigation related services to General Revenue-Dedicated Sexual Assault Program Account No. 5010 for victim assistance grants in Strategy C.1.2, Victims Assistance. See Selected Fiscal and Policy Issues Item #4.

Section 2

Office of the Attorney General

Summary of Recommendations - Senate, By Method of Finance -- GENERAL REVENUE FUNDS

Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
LEGAL SERVICES A.1.1	\$100,560,630	\$106,292,270	\$5,731,640	5.7%	Recommendations include an increase of \$5.7 million in General Revenue primarily due to an expected increase of FTEs from 2014-15 levels (\$3.4 million) due to the indirect cost rate plan for agency wide administrative costs filed with the federal government and the biennialization of the fiscal year 2015 state wide salary increase (\$2.3 million).
<b>Total, Goal A, PROVIDE LEGAL SERVICES</b>	<b>\$100,560,630</b>	<b>\$106,292,270</b>	<b>\$5,731,640</b>	<b>5.7%</b>	
CHILD SUPPORT ENFORCEMENT B.1.1	\$290,175,960	\$277,731,912	(\$12,444,048)	(4.3%)	Recommendations provide a decrease of \$12.4 million in General Revenue for development and deployment costs for the TXCSES 2.0 capital project. Additionally, recommendations reflect a \$100.1 million decrease from General Revenue-Child Support Retained Collections Account No. 787 partially off-set by an increase of \$87.7 million in General Revenue for child support enforcement activities. See Selected Fiscal and Policy Issues #2.
STATE DISBURSEMENT UNIT B.1.2	\$11,129,547	\$20,235,698	\$9,106,151	81.8%	Recommendations include an increase of \$9.1 million in General Revenue and a related increase of \$17.7 million in Federal Funds for the match requirement of 34 percent of state dollars to 66 percent of federal grants for reprocurement of the State Disbursement Unit contract for child support collections and payments. See Selected Fiscal and Policy Issues #2.
<b>Total, Goal B, ENFORCE CHILD SUPPORT LAW</b>	<b>\$301,305,507</b>	<b>\$297,967,610</b>	<b>(\$3,337,897)</b>	<b>(1.1%)</b>	
CRIME VICTIMS' COMPENSATION C.1.1	\$248,894	\$0	(\$248,894)	(100.0%)	Recommendations reflect a decrease of \$0.2 million in General Revenue for the agency's federal indirect cost allocation plan.
VICTIMS ASSISTANCE C.1.2	\$33,220,900	\$14,559,784	(\$18,661,116)	(56.2%)	Recommendations include a decrease of \$18.7 million in General Revenue due to the transfer of funding for CASA and CAC grants to HHSC. See Selected Fiscal and Policy Issues #1.
<b>Total, Goal C, CRIME VICTIMS' SERVICES</b>	<b>\$33,469,794</b>	<b>\$14,559,784</b>	<b>(\$18,910,010)</b>	<b>(56.5%)</b>	
MEDICAID INVESTIGATION D.1.1	\$9,831,604	\$10,316,670	\$485,066	4.9%	Recommendations provide an increase of \$0.5 million in General Revenue for State Medicaid Fraud Control Units.
<b>Total, Goal D, REFER MEDICAID CRIMES</b>	<b>\$9,831,604</b>	<b>\$10,316,670</b>	<b>\$485,066</b>	<b>4.9%</b>	
ADMINISTRATIVE SUPPORT FOR SORM E.1.1	\$341,821	\$0	(\$341,821)	(100.0%)	Recommendations provide a decrease of \$0.3 million in General Revenue administrative support for SORM due to the agency's indirect cost allocation plan.
<b>Total, Goal E, ADMINISTRATIVE SUPPORT FOR SORM</b>	<b>\$341,821</b>	<b>\$0</b>	<b>(\$341,821)</b>	<b>(100.0%)</b>	
<b>Grand Total, All Strategies</b>	<b>\$445,509,356</b>	<b>\$429,136,334</b>	<b>(\$16,373,022)</b>	<b>(3.7%)</b>	

Section 2

Office of the Attorney General  
Summary of Recommendations - Senate, By Method of Finance -- GR DEDICATED

Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
LEGAL SERVICES A.1.1	\$602,803	\$602,804	\$1	0.0%	
<b>Total, Goal A, PROVIDE LEGAL SERVICES</b>	<b>\$602,803</b>	<b>\$602,804</b>	<b>\$1</b>	<b>0.0%</b>	
CHILD SUPPORT ENFORCEMENT B.1.1	\$0	\$0	\$0	0.0%	
STATE DISBURSEMENT UNIT B.1.2	\$0	\$0	\$0	0.0%	
<b>Total, Goal B, ENFORCE CHILD SUPPORT LAW</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	
CRIME VICTIMS' COMPENSATION C.1.1	\$100,465,364	\$100,613,178	\$147,814	0.1%	
VICTIMS ASSISTANCE C.1.2	\$48,740,395	\$36,165,282	(\$12,575,113)	(25.8%)	Recommendations provide a decrease of \$18.4 million in General Revenue-Dedicated Compensation to Victims of Crime Account No. 469 related to transferring CASA and CAC grants to HHSC partially off-set by an increase of \$6.2 million in General Revenue-Dedicated Sexual Assault Program Account No. 5010 for victim assistance grants. See Selected Fiscal and Policy Issues #1 and #4.
<b>Total, Goal C, CRIME VICTIMS' SERVICES</b>	<b>\$149,205,759</b>	<b>\$136,778,460</b>	<b>(\$12,427,299)</b>	<b>(8.3%)</b>	
MEDICAID INVESTIGATION D.1.1	\$0	\$0	\$0	0.0%	
<b>Total, Goal D, REFER MEDICAID CRIMES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	
ADMINISTRATIVE SUPPORT FOR SORM E.1.1	\$0	\$0	\$0	0.0%	
<b>Total, Goal E, ADMINISTRATIVE SUPPORT FOR SORM</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	
<b>Grand Total, All Strategies</b>	<b>\$149,808,562</b>	<b>\$137,381,264</b>	<b>(\$12,427,298)</b>	<b>(8.3%)</b>	Recommendations in Strategies C.1.1, Crime Victims' Compensation, and C.1.2, Victims Assistance, primarily consist of General Revenue-Dedicated Compensation to Victims of Crime Account No. 469 and General Revenue-Dedicated Compensation to Victims of Crime Auxiliary Account No. 494.  Account No. 469 provides payments to reimburse victims for expenses such as medical and hospital bills, psychiatric and counseling care, and loss of wages.  Account No. 494 provides grants to victim services organization for sexual assault prevention, court appointed special advocacy, and civil legal services. Neither account counts toward certification of the bill.

Section 2

Office of the Attorney General  
Summary of Recommendations - Senate, By Method of Finance -- FEDERAL FUNDS

Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
LEGAL SERVICES A.1.1	\$1,666,506	\$1,115,572	(\$550,934)	(33.1%)	Recommendations reflect a decrease of \$0.6 million in Federal Funds for several criminal justice related grants for investigation of money laundering, drug trafficking, gang activity, and gun related offenses.
<b>Total, Goal A, PROVIDE LEGAL SERVICES</b>	<b>\$1,666,506</b>	<b>\$1,115,572</b>	<b>(\$550,934)</b>	<b>(33.1%)</b>	
CHILD SUPPORT ENFORCEMENT B.1.1	\$315,423,634	\$325,702,755	\$10,279,121	3.3%	Recommendations reflect an increase of \$10.3 million in Federal Funds in several grant categories and an expected increase in the child support enforcement award.
STATE DISBURSEMENT UNIT B.1.2	\$10,629,180	\$28,315,740	\$17,686,560	166.4%	Recommendations include an increase of \$17.7 million in Federal Funds and a related increase of \$9.1 million in General Revenue for reprocurement of the State Disbursement Unit contract for child support collections and payments. See Selected Fiscal and Policy Issues #2.
<b>Total, Goal B, ENFORCE CHILD SUPPORT LAW</b>	<b>\$326,052,814</b>	<b>\$354,018,495</b>	<b>\$27,965,681</b>	<b>8.6%</b>	
CRIME VICTIMS' COMPENSATION C.1.1	\$50,224,544	\$53,983,851	\$3,759,307	7.5%	Recommendations provide an increase of \$3.8 million in Federal Funds from the federal Crime Victims Compensation grant which is based on 60 percent of state expenditures from two years prior to the affected year.
VICTIMS ASSISTANCE C.1.2	\$6,084,706	\$5,230,468	(\$854,238)	(14.0%)	Recommendations reflect a decrease of \$0.9 million in Federal Funds primarily related to expected decreases in federal awards for Rape Prevention Education and Preventive Health Services for grants to local law enforcement and service providers.
<b>Total, Goal C, CRIME VICTIMS' SERVICES</b>	<b>\$56,309,250</b>	<b>\$59,214,319</b>	<b>\$2,905,069</b>	<b>5.2%</b>	
MEDICAID INVESTIGATION D.1.1	\$22,436,089	\$23,283,196	\$847,107	3.8%	Recommendations include an increase of \$0.8 million in Federal Funds for State Medicaid Fraud Control Units.
<b>Total, Goal D, REFER MEDICAID CRIMES</b>	<b>\$22,436,089</b>	<b>\$23,283,196</b>	<b>\$847,107</b>	<b>3.8%</b>	
ADMINISTRATIVE SUPPORT FOR SORM E.1.1	\$0	\$0	\$0	0.0%	
<b>Total, Goal E, ADMINISTRATIVE SUPPORT FOR SORM</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	
<b>Grand Total, All Strategies</b>	<b>\$406,464,659</b>	<b>\$437,631,582</b>	<b>\$31,166,923</b>	<b>7.7%</b>	

Section 2

Office of the Attorney General					
Summary of Recommendations - Senate, By Method of Finance -- OTHER FUNDS					
Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
					Recommendations include a MOF swap of approximately \$12.2 million from the State Highway Fund No. 006 to Interagency Contracts at TxDOT to reflect expenditures out of the State Highway Fund. See Selected Fiscal and Policy Issues item #3.
LEGAL SERVICES A.1.1	\$75,937,361	\$73,734,629	(\$2,202,732)	(2.9%)	Recommendations include a decrease of \$2.1 million in Appropriated Receipts to reflect the agency's estimate of receipts from court costs, attorney's fees, and investigative costs, and decreases of \$0.1 million in Criminal Justice Grants.
Total, Goal A, PROVIDE LEGAL SERVICES	\$75,937,361	\$73,734,629	(\$2,202,732)	(2.9%)	
CHILD SUPPORT ENFORCEMENT B.1.1	\$37,931,569	\$32,486,000	(\$5,445,569)	(14.4%)	Recommendations reflect a decrease of \$5.4 million in Interagency Contracts from the Texas Health and Human Services Commission related to identifying noncustodial parents to provide health insurance and support for children currently receiving Medicaid due to an overall decline in Temporary Assistance to Needy Families (TANF) participation.
STATE DISBURSEMENT UNIT B.1.2	\$0	\$0	\$0	0.0%	
Total, Goal B, ENFORCE CHILD SUPPORT LAW	\$37,931,569	\$32,486,000	(\$5,445,569)	(14.4%)	
CRIME VICTIMS' COMPENSATION C.1.1	\$0	\$0	\$0	0.0%	Recommendations provide a decrease of \$10.0 million in Appropriated Receipts related to the agency's request to use Appropriated Receipts for legal services and not for victim assistance grants and a decrease of \$0.1 million in License Plate Trust Fund No. 802 due to the spend down of balances. See Selected Fiscal and Policy Issues item #4.
VICTIMS ASSISTANCE C.1.2	\$10,138,992	\$0	(\$10,138,992)	(100.0%)	
Total, Goal C, CRIME VICTIMS' SERVICES	\$10,138,992	\$0	(\$10,138,992)	(100.0%)	
MEDICAID INVESTIGATION D.1.1	\$32,742	\$0	(\$32,742)	(100.0%)	
Total, Goal D, REFER MEDICAID CRIMES	\$32,742	\$0	(\$32,742)	(100.0%)	
ADMINISTRATIVE SUPPORT FOR SORM E.1.1	\$2,308,046	\$1,530,680	(\$777,366)	(33.7%)	Recommendations provide a decrease of \$0.8 million in Interagency Contract funds in Strategy E.1.1, Administrative Support for SORM, due to the agency's expected expenditure level.
Total, Goal E, ADMINISTRATIVE SUPPORT FOR SORM	\$2,308,046	\$1,530,680	(\$777,366)	(33.7%)	
Grand Total, All Strategies	\$126,348,710	\$107,751,309	(\$18,597,401)	(14.7%)	

Section 3

Office of the Attorney General  
Selected Fiscal and Policy Issues - Senate

1. Court Appointed Special Advocates (CASA) Children’s Advocacy Centers of Texas (CAC)

Recommendations include the transfer of \$41.1 million in All Funds for CASA and CAC grants in Strategy C.1.2, Victim Assistance, to the Health and Human Services Commission (HHSC), reflecting a \$41.1 million decrease in All Funds for the 2016-17 biennium for the Office of the Attorney General (\$18.7 million General Revenue, \$18.4 million General Revenue-Dedicated Compensation to Victims of Crime No. 469, and \$4.0 million General Revenue-Dedicated Sexual Assault Program Account No. 5010). Transfer of CASA and CAC is not expected to impact the remaining victim assistance grants provided by the Office of the Attorney General. Also, recommendations include a rider in HHSC's bill pattern which states the intent of continuity of services by CASA and CAC without disruption.

The following statutory changes are required to implement the recommendations:

- Texas Family Code, Chapter 264, §264.602 – (CASA) Amend to allow HHSC to contract with a statewide organization to provide services to victims of child abuse or neglect.
- Texas Family Code, Chapter 264, §264.409 – (CAC) Amend to allow HHSC to contract with a statewide organization to provide children's advocacy centers.
- Texas Transportation Code, Chapter 504, §504.611 – (CASA) Amend to appropriate revenue from the sale of the Volunteer Advocate specialty license plate to HHSC.

See also Rider 71, Contingency for Child Advocacy Center and Court Appointed Special Advocate Grants, Rider 72, Contingency Appropriation of CASA License Plate Receipts, and Rider 73, Contingency for Funding of Child Advocacy Programs, in the Health and Human Services Commission bill pattern.

2. Child Support Funding.

Recommendations include a method of finance swap in Strategy B.1.1, Child Support Enforcement, reflecting a \$100.1 million decrease from General Revenue-Child Support Retained Collections Account No. 787 partially off-set by an increase of \$87.7 million in General Revenue due to the declining balances of Account No. 787. The recommendation would leave approximately \$17.9 million in balances at the end of fiscal year 2017. Balances would provide cash flow and allow the agency to pay contracts and agreements prior to being reimbursed by the federal government. The overall decrease of \$12.4 million in General Revenue for Strategy B.1.1, Child Support Enforcement, is due to completion of the development and deployment of the Texas Child Support Enforcement System 2.0 (TXCSES 2.0).

Recommendations also include an increase of \$9.1 million in General Revenue in Strategy B.1.2, State Disbursement Unit for reprocurement of the State Disbursement Unit contract for child support collections and payments. This increase is coupled with an increase of \$17.7 million in Federal Funds for the match requirement of 34 percent of state dollars to 66 percent of federal funds for child support awards. The Office of the Attorney General is federally mandated to operate a centralized organization to receive and disburse child support payments. The State Disbursement Unit processes all payments and disbursements for cases under the jurisdiction of the Child Support Division. The overall increase is for reprocurement of the State Disbursement Unit contract for child support collections and payments. The current contract has



**Section 3**

reached the end of its 10 year term and the increased funding reflects an expected increased volume of child support cases.

**3. Method of Finance Swap for State Highway Fund.**

Recommendations include a method of finance swap of \$12,150,724 from State Highway Fund No. 006 (Fund 6) to an Interagency Contract (IAC) with the Texas Department of Transportation (TxDOT) for legal services provided by the Transportation Division in Strategy A.1.1, Legal Services. The Transportation Division at the Office of the Attorney General (OAG) provides legal services exclusively to TxDOT that include eminent domain, property damage, and legal representation for TxDOT staff. The division has been historically funded by a direct appropriation from Fund 6 as the activities align with Article VIII, Section 7.a, of the Texas Constitution.

Recommendations also include new Rider 29, Interagency Contract the Texas Department of Transportation, in the agency’s bill pattern requiring the IAC between the Office of the Attorney General and TxDOT. The recommendation aligns with LBB Recommendations – Senate Version for TxDOT in Article VII.

**4. Method of Finance Swap for Victim Assistance Grants.**

Recommendations provide \$56.0 million in All Funds for victim assistance grants including a method of finance swap of \$6.2 million from Appropriated Receipts to General Revenue – Dedicated Sexual Assault Program Account No. 5010 to continue victim assistance grants at 2014-15 spending levels out of state funds. Recommendations also include a contingency rider that would provide \$6.2 million in Appropriated Receipts in the event that litigation prohibits the expenditure of the balances collected from the \$5 adult entertainment fee and General Revenue if there are insufficient Appropriated Receipts available.

The Eighty-third Legislature, appropriated \$10 million in Appropriated Receipts out of unexpended balances in Strategy A.1.1, Legal Services, to the Strategy C.1.2, Victims Assistance, to fund victim assistance grants. The Appropriated Receipts are derived from collection of court costs, attorney fees, and investigative costs recovered by the Office of the Attorney General and are used for litigation related expenses. Court costs, attorney’s fees, and investigative costs are primarily derived from judgments and settlements which are unpredictable and not a reliable funding source for victim assistance grants. The agency relies on the receipts collected to pay for core agency operations related to litigation.

Account No. 5010 was created to receive community and parole supervision and probation fees from individuals convicted of sexually related offenses. House Bill 1751, Eightieth Legislature, Regular Session, 2007, directed the first \$25 million collected from sexually oriented businesses to be deposited in Account No. 5010. The act required certain sexually oriented businesses to pay the state an amount equal to \$5 for each customer admitted and has faced legal challenges, the most recent of which is a new petition for review filed with the Texas Supreme Court on July 17, 2014. The current legal action challenges the \$5 provision as an unconstitutional occupation tax. The state constitution requires that 25 percent of occupation taxes must be allocated to public school funding (Texas Constitution, Article VII, Section 3(a)). The Comptroller of Public Accounts, through the Office of the Attorney General, counterclaims that the provision is a general excise tax. The Texas Supreme Court declined to hear the appeal from the Texas Entertainment Assoc. on November 21, 2014. The account is available for appropriation for certain victim assistance grants (Texas Government Code, Section 420.008) and the fee is still being collected. However, sexually oriented businesses have not participated at a high rate and the Comptroller issued a letter on August 27, 2014, confirming that the fee must be paid during the on-going litigation. According to the Comptroller, the balance of the account used to certify the 2014-15 General Appropriation Act was \$19.9 million.

## Section 3

### 5. Crime Victims' Compensation.

Recommendations include \$100.6 million in General Revenue – Dedicated Compensation to Victims of Crime Account No. 469 for crime victim compensation based on historic trends of applications for compensation. According to the Office of the Attorney General, revenue into the General Revenue – Dedicated Compensation to Victims of Crime Account No. 469 is decreasing by approximately 2.0 percent per fiscal year primarily due to declining statewide crime rates. Revenue in the account is anticipated to increase slightly in the 2016-17 biennium. However, declining court costs collections are still a concern to the agency. Court costs provide the largest share revenue for Account No. 469 and are composed of fees collected at state courts when an individual is convicted of a misdemeanor or felony. The state court remits 90 percent of the fees collected by the Comptroller of Public Accounts (CPA). The CPA then deposits no less than 37.6 percent of the court costs into Account No. 469. The court costs and fund allocations are set in the Local Government Code, Section 133.102.

Court costs were first consolidated in 1997 and last modified in 2003 in an effort to lessen the administrative burden on the courts and to increase the remittance rate of defendants. Provided is an estimate for the General Revenue – Dedicated Compensation to Victims of Crime Account No. 469 based on the Office of the Attorney General's certification of the fund and an outline of the victim assistance programs and services partially funded by General Revenue – Dedicated Compensation to Victims of Crime Account No. 469. Based on this estimate, available balances and revenue totals \$204.6 million and expenditures and transfers total \$142.6 million providing an ending balance of \$62.0 million. (See Estimate of CVC Certification and CVC Victim Assistance Programs Funding History).

### 6. TXCSES 2.0

Recommendations reflect \$46.8 million in All Funds for Release 1 and Release 2 of the Texas Child Support Enforcement System 2.0 (TXCSES 2.0) capital project, which includes \$15.9 million in General Revenue and \$30.9 million in Federal Funds for the match requirement of 34 percent of state dollars to 66 percent of federal grants. Additionally, \$4.0 million in All Funds is for Data Center Services related to TXCSES 2.0.

Recommendations include a new rider to require the Office of the Attorney General to form an Executive Steering Committee that would provide additional oversight for the project and to report any budget over-runs to the Legislative Budget Board. The rider would also require any cost over-runs be paid out of Appropriated Receipts appropriated to the agency. If Appropriated Receipts are not available, the agency could use other methods of finance for these cost overruns with approval from the Legislative Budget Board.

The development and deployment of TXCSES 2.0 began in fiscal year 2009 and is the main system for the Child Support Division. It enables the Child Support Division to automate activities such as applying for child support services, establishing child support orders, enforcing order compliance, and collecting and disbursing child support payments. Until completion of the TXCSES 2.0 project, the Child Support Division will continue to utilize a mainframe based case management system built in 1997. The mainframe based case management system requires staff to navigate numerous systems for basic information and is having a detrimental effect on efficiency for the Child Support Division.

The first phase of the project was originally scheduled to be completed in the winter of 2012, but according to agency the completion date was delayed due to budget reductions implemented for the 2012-13 biennium. The project experienced additional delays related to infrastructure enhancements and data synchronization. There are currently a number of outstanding projects that comprise the TXCSES 2.0 system and Release 1 and Release 2 are consolidations of the remaining projects. The Office of the Attorney General anticipates that Release 1 will be completed in July 2016 and Release 2 in July 2017 with a total estimated cost for both releases of \$275.9 million in All Funds. According to the December 2011 *Annual Report* by the Quality Assurance Team, the initial estimated costs for full development and deployment of the TXCSES 2.0 capital project was \$202.7 million in All Funds.

**Compensation to Victims of Crime Account No. 0469**  
**Estimate of CVC Certification Based on Estimated Revenue for 2016-17 - Senate**

	Biennial Amount Certification	Footnotes
<b>Balances / Revenue</b>		
<b>Beginning Balance (FY 2016)</b>	<b>\$42,163,183</b>	
<b>Revenue (2016-17)</b>		
3704 Court Costs	130,902,242	
3719 Fees - Copies Filing of Records	0	
3727 Fees - Parolee Fees	9,949,486	
3727 Fees - Prison Inmate Phone Revenue	24,405,214	
3734 Recoveries From Crime Victims Restitution	2,179,800	
3740 Grants/Donations (Juror Reimb.)	NA	(1)
3777 Default Fund Warrant Voided	200,952	
3801 Time Payment Plan	17,000	
3802 Reimbursements - Third Party	6,000	
3805 Subrogation Recoveries	1,800,000	
3851 Interest Paid on State Deposits and Treasury Investments	215,900	
3970 Transfer from CVC Auxiliary Fund No. 0494	2,729,848	
<b>Subtotal Available Revenue</b>	<b>\$172,406,442</b>	
Less Catastrophic Contingency Fund	(10,000,000)	(2)
<b>Total, Available Balances and Revenue</b>	<b>\$204,569,625</b>	
<b>Appropriations / Transfers</b>		
Crime Victims Compensation Payments	(\$87,410,290)	
CVC Program Costs:		
CVC Program Administrative Costs (salaries, travel, supplies, printing costs, etc.)	(\$11,692,272)	
CVC Program Indirect Administrative and Support Costs (budgeting, accounting, executive staff, IT, etc.)	(1,510,616)	
<b>Subtotal Crime Victims Compensation Program (OAG Appropriations)</b>	<b>(\$100,613,178)</b>	
OAG Employee Benefits / Other Costs for the CVC Program (OASI, ERS)	(2,391,788)	
CVC Statewide Cost Allocation Plan (SWCAP)	(229,413)	
<b>Subtotal, Transfers Reflected in the Certification</b>	<b>(2,621,201)</b>	
<b>Subtotal, Appropriations and Transfers Reflected in the Certification</b>	<b>(\$103,234,379)</b>	(3)
Less 5% Buffer pursuant to Texas Code of Criminal Procedure, Section 56.541	(\$5,161,719)	
<b>Amount Available for Appropriation to Programs Intended to Provide Victim Related Services and Assistance</b>	<b>\$96,173,527</b>	

Footnotes:

- (1) Gifts, grants and donations are specifically excluded by the Texas Code of Criminal Procedure, Article 56.541 from the certification.
- (2) Texas Code of Criminal Procedure, Article 56.54 (i) allows the Attorney General to retain up to \$10,000,000 above the estimated program expenditures for an emergency reserve for the next fiscal year in cases of mass violence or international terrorism.
- (3) Texas Code of Criminal Procedure, Article 56.541 (a) (2) requires the OAG to estimate the amount of money that will be obligated during the next biennium to comply with the Chapter.

**Compensation to Victims of Crime Account No. 0469**  
**Estimate of CVC Certification Based on Estimated Revenue for 2016-17 - Senate**

<b>Amount Available for Appropriation to Programs Intended to Provide Victim Related Services and Assistance</b>	<b>\$96,173,527</b>
<b>Appropriations to Programs Intended to Provide Victim Related Services and Assistance</b>	
<i>Appropriations to the Office of the Attorney General:</i>	
Victim Assistance Grants	(\$25,062,320)
Victim Assistance Administrative Costs - (salaries, travel, other operating)	(\$4,367,506)
Victim Assistance Indirect Administrative Costs - (budgeting, accounting, executive staff, IT, etc.)	(\$198,796)
<i>Appropriations to Other Agencies:</i>	
Public Safety Benefits (Estimated Amounts for Employees Retirement System)	(3,784,682)
<b>Subtotal, Appropriation to Programs Intended to Provide Victim Related Services and Assistance</b>	<b>(\$33,413,304)</b>
<b>Employee Benefits / Other Costs to Programs Intended to Provide Victim Related Services and Assistance</b>	
Office of the Attorney General Victim Assistance	(668,464)
Statewide Cost Allocation Plan (SWCAP)	(64,117)
<b>Subtotal, Employee Benefits / Other Costs for Programs Intended to Provide Victim Related Services and Assistance</b>	<b>(\$732,581)</b>
<b>Total, Appropriation to Programs Intended to Provide Victim Related Services and Assistance</b>	<b>(\$34,145,885)</b>
<b>Amount Certified in Excess of Appropriations for Use in Programs Intended to Provide Victim Related Services and Assistance</b>	<b>\$62,027,642</b>

Source: Office of the Attorney General and Legislative Budget Board

**Victims Assistance Programs Funded from the Crime Victims Compensation Fund No. 0469**  
**Funding History - Senate**

	<b>Expended 2010-11</b>	<b>Expended 2012-13</b>	<b>Budgeted 2014-15</b>	<b>Recommended 2016-17</b>	<b>Endnotes</b>
<b>Programs at the Office of the Attorney General (Represents use for 2014-15 Biennium)</b>					
(A) <b>Crime Victims Compensation.</b> Program serves as payer of last resort to victims of violent crime. Provides reimbursement to a victim for certain expenses resulting from the crime that cannot be paid with other sources. Eligible expenses include medical bills, lost wages, and relocation expenses for certain victims.	\$104,837,847	\$85,345,328	\$100,465,364	\$100,613,178	
(B) <b>Victims Assistance:</b>					
1) <b>Victims Assistance Coordinators and Victims Liaisons.</b> Provides grants to local law enforcement agencies and prosecutor’s offices to fund statutorily required coordinator/liaison positions.	\$4,885,553	\$4,867,389	\$2,785,672	\$2,830,474	
2) <b>Court Appointed Special Advocates.</b> Provides funds to help develop and support local CASA programs. CASA volunteers are court appointed to advocate for the best interests of abused children involved in the legal and welfare systems.	\$6,000,000	\$17,000,000	\$9,468,090	\$0	(1)
3) <b>Sexual Assault Prevention and Crisis Services Program.</b> Provides funding and technical assistance to sexual assault programs in the state. Distributes training materials for law enforcement, medical personnel, and sexual assault staff and volunteers. Provides evidence collection protocol for sexual assault forensic evidence collection. Certifies sexual assault training programs and Sexual Assault Nurse Examiners.	\$13,578,441	\$12,498,784	\$7,906,570	\$7,588,948	
4) <b>Sexual Assault Services Program Grants.</b> Provides a grant to the Texas Association Against Sexual Assault (TAASA) for program development, technical assistance, and training to support local sexual assault programs. The grant is also used for statewide training for local programs, law enforcement agencies and other victim services groups.	\$750,000	\$750,000	\$417,710	\$417,710	
5) <b>Children’s Advocacy Centers.</b> Provides funds to develop and support local child advocacy programs that offer a coordinated, multi-disciplinary response to cases of suspected child abuse.	\$7,998,006	\$15,998,006	\$8,910,032	\$0	(1)
6) <b>Victim-related civil legal services.</b> Funding for the Supreme Court to provide grants to local programs that offer civil legal services for victims of violent crime.	\$5,000,000	\$5,000,000	\$2,784,732	\$2,784,732	
7) <b>Victim Assistance Organizations and Programs.</b> Funding for grants to support various programs in the state that serve victims of crime, such as Mothers Against Drunk Driving, Safe Place, People Against Violent Crime, and others.	\$21,123,164	\$21,044,462	\$12,055,074	\$12,238,020	
8) <b>Victim Notification System.</b> Funding for the implementation of a statewide automated system at the county level to provide victims with information about a change in offender status or change in court date, required by passage of House Bill 1572, 77th Legislature, Regular Session, 2001.	\$7,006,637	\$6,310,638	\$3,714,343	\$3,768,738	
<b>Total, Programs at the Office of the Attorney General</b>	<b>\$171,179,648</b>	<b>\$168,814,607</b>	<b>\$148,507,587</b>	<b>\$130,241,800</b>	

Victims Assistance Programs Funded from the Crime Victims Compensation Fund No. 0469  
Funding History - Senate

	Expended 2010-11	Expended 2012-13	Budgeted 2014-15	Recommended 2016-17	Endnotes
Programs Funded at Other Agencies					
<b>Public Safety Benefits - (ERS).</b> Payment of benefits to beneficiaries of certain law enforcement officers, firefighters and emergency medical technicians killed in the line of duty.	\$3,175,000	\$3,375,000	\$3,784,682	\$3,784,682	
<b>Victim Services - (TDCJ).</b> This division provides notification to keep victims informed of an offender's status after conviction and sentencing to the Texas Department of Criminal Justice. The Victim Services Division also operates a clearinghouse to serve as a central source of information about services and issues involving crime victims in Texas.	\$3,152,350	\$0	\$0	\$0	
<b>Miscellaneous Claims - (CPA).</b> Payment for miscellaneous claims by the Comptroller of Public Accounts.	\$0	\$0	\$0	\$0	
<b>Family Violence Services (HHSC).</b> The Health and Human Services Commission contracts with family violence centers to provide emergency shelter and/or nonresidential services to adult victims of family violence and their dependent children.	\$0	\$4,587,828	\$0	\$0	
<b>Court Appointed Special Advocates (HHSC).</b> Provides funds to help develop and support local CASA programs. CASA volunteers are court appointed to advocate for the best interests of abused children involved in the legal and welfare systems.	\$0	\$0	\$0	\$9,468,090	(1)
<b>Children’s Advocacy Centers (HHSC).</b> Provides funds to develop and support local child advocacy programs that offer a coordinated, multi-disciplinary response to cases of suspected child abuse.	\$0	\$0	\$0	\$8,910,032	(1)
<b>Total, Programs Funded at Other Agencies</b>	<b>\$6,327,350</b>	<b>\$7,962,828</b>	<b>\$3,784,682</b>	<b>\$22,162,804</b>	
<b>Total, All Programs</b>	<b>\$177,506,998</b>	<b>\$176,777,435</b>	<b>\$152,292,269</b>	<b>\$152,404,604</b>	

Source: Office of the Attorney General and Legislative Budget Board

Endnotes:  
(1) Values reflect the transfer of funding for Court Appointed Special Advocates and Children's Advocacy Center grants to the Health and Human Serives Commission from the Office of the Attorney General.

Section 3

Office of the Attorney General  
FTE Highlights - Senate

Full-Time-Equivalent Positions	Expended 2013	Estimated 2014	Budgeted 2015	Recommended 2016	Recommended 2017
Cap	4,201.9	4,207.9	4,207.9	4,211.9	4,211.9
Actual/Budgeted	4,054.8	4,035.5	4,211.9	NA	NA
Schedule of Exempt Positions (Cap)					
Attorney General, Group 6	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000

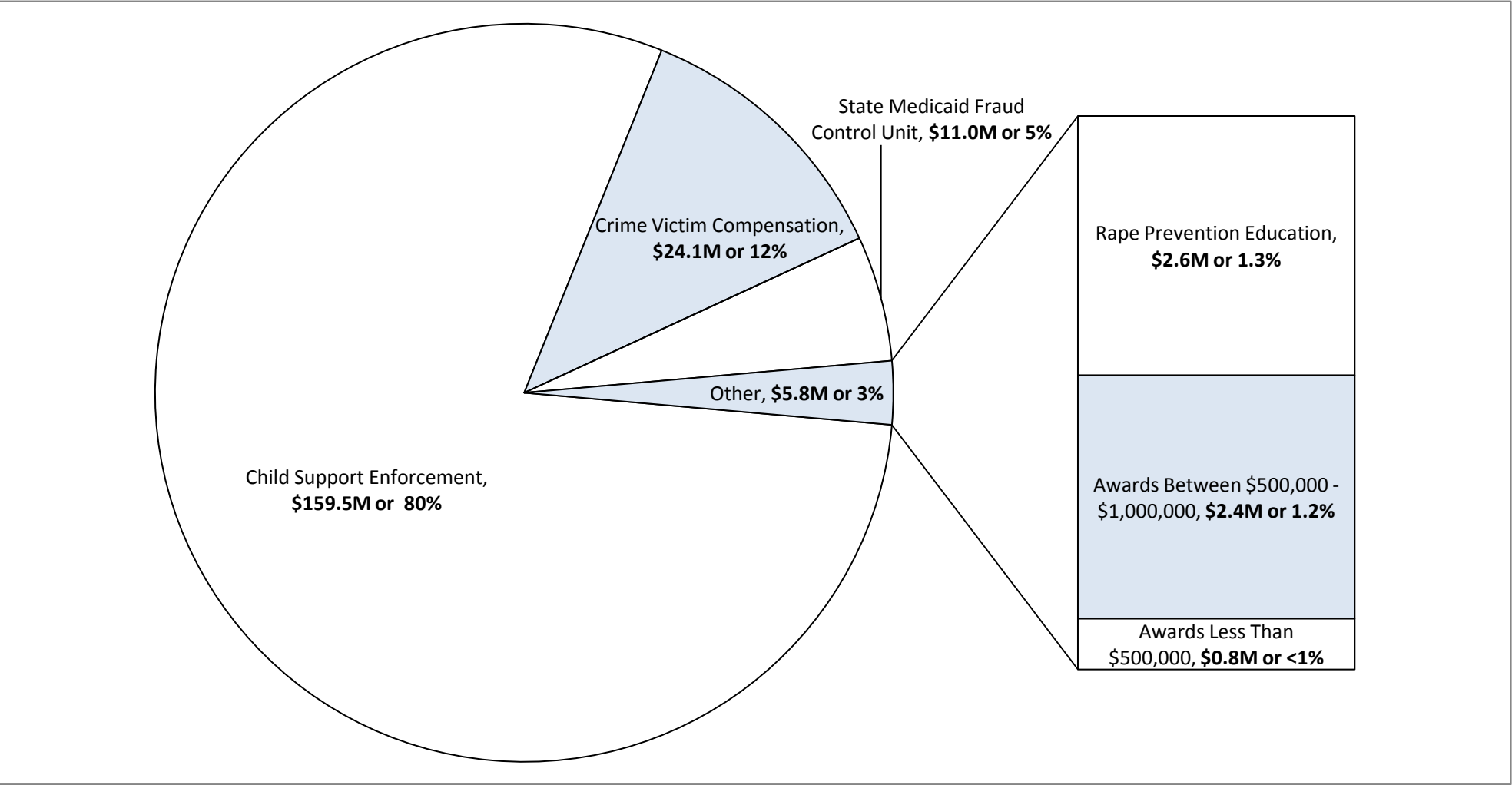
Recommendations reflect an increase of 4.0 FTEs from fiscal year 2015 for 4.0 federally funded positions within legal services (1.0) and child support (3.0) to reflect additional federal funding in the 2014-15 biennium that will continue in the 2016-17 biennium.

The agency is not requesting any changes to the exempt position compensation.

The 2014 State Auditor's Office Report does not provide information regarding exempt salaries for elected officials. However, the 2012 *Executive Compensation at State Agencies* (Report No. 12-708, August 2012), found that the salary for the Attorney General is higher than the average salary for comparable Attorneys General (\$137,649) based on results of a survey of the 10 most populous states in addition to Texas.

Section 3

Office of the Attorney General  
Summary of Federal Funds (Estimated 2014) - Senate  
TOTAL = \$200.4M





Section 3

Office of the Attorney General  
Summary of Federal Funds (Estimated 2014) - Senate  
TOTAL = \$200.4M

CFDA	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017	Rec 2016	Rec 2017	Est 2014 % total
Internet Crimes Against Children	\$0.5	\$0.6	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	0.3%
Crime Victim Compensation	\$25.1	\$24.1	\$26.1	\$26.5	\$27.5	\$26.5	\$27.5	12.0%
Project Safe Neighborhoods-Pass Through to U.S. Attorney's Off.	\$0.1	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.1%
Project Safe Neighborhoods - Gun Crime Consequences	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Combating Underage Drinking	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Internet Crimes Against Children - Stimulus	\$0.3	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.1%
Injury Prevention and Control Research and	\$2.9	\$2.6	\$2.1	\$2.1	\$2.1	\$2.1	\$2.1	1.3%
Child Support Enforcement	\$149.6	\$159.5	\$164.7	\$188.4	\$164.4	\$188.4	\$164.4	79.6%
HEROES	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
Child Support: Urban Fathers Asset Building Project	\$0.1	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
National Child Support Noncustodial Parent Employment Demonstration	\$0.1	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.1%
Grants to States for Access and Visitation Programs	\$0.8	\$1.0	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6	0.5%
State Medicaid Fraud Control Units	\$10.2	\$11.0	\$11.5	\$11.6	\$11.6	\$11.6	\$11.6	5.5%
Preventive Health and Health Services Block Grant	\$0.4	\$0.9	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6	0.5%
South West Border High Intensity Drug Trafficking Areas	\$0.1	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	0.1%
HIDTA: Houston Money Laundering Initiative	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	0.0%
TOTAL:	\$190.2	\$200.4	\$206.1	\$230.3	\$207.3	\$230.3	\$207.3	

Section 3

Office of the Attorney General  
Significant Federal Funds Changes - Senate

CFDA No.	Program Name	2014-15 Base	2016-17 Recommended	Recommended Over/(Under) Base
16.543.002	Internet Crimes Against Children	\$917,929	\$703,274	(\$214,655)
16.576.000	Crime Victim Compensation	\$50,224,544	\$53,983,851	\$3,759,307
16.609.003	Project Safe Neighborhoods-Pass Through to U.S. Attorney's Off.	\$121,080	\$0	(\$121,080)
16.800.000	Internet Crimes Against Children - Stimulus	\$189,198	\$0	(\$189,198)
93.136.003	Rape Prevention Education	\$4,613,525	\$4,106,000	(\$507,525)
93.563.000	Child Support Enforcement	\$324,187,059	\$352,734,257	\$28,547,198
93.564.009	Child Support: Urban Fathers Asset Building Project	\$73,296	\$0	(\$73,296)
93.564.010	National Child Support Noncustodial Parent Employment Demonstration	\$187,226	\$0	(\$187,226)
93.597.000	Grants to States for Access and Visitation Programs	\$1,605,233	\$1,284,238	(\$320,995)
93.775.000	State Medicaid Fraud Control Units	\$22,436,089	\$23,283,196	\$847,107
93.991.000	Preventive Health and Health Services Block Grant	\$1,471,181	\$1,124,468	(\$346,713)
95.000.021	South West Border High Intensity Drug Trafficking Areas	\$390,816	\$380,642	(\$10,174)
95.000.023	HIDTA: Houston Money Laundering Initiative	\$47,483	\$31,656	(\$15,827)

Section 4

Office of Attorney General  
Performance Review and Policy Report Highlights - Senate

Reports & Recommendations	Savings/ (Cost)	Gain/ (Loss)	Fund Type	Included in Introduced Bill	Action Required During Session
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NO RELATED RECOMMENDATIONS

Section 5

Office of the Attorney General  
Rider Highlights - Senate

- 2. (revised) **Capital Budget.** Revise rider to reflect recommended capital projects.
- 7. (delete) **River Compact Lawsuit Contingency.** Delete rider due to lawsuit funding being provided by the Texas Commission on Environmental Quality.
- 9. (revised) **Victims Assistance Grants.** Revise rider to remove Court Appointed Special Advocates and Children’s Advocacy Centers funding, remove Appropriated Receipts, add General Revenue-Dedicated Sexual Assault Program Account No. 5010, and update recommended amounts.
- 11. (revised) **Unexpended Balances: Between Fiscal Years within the Biennium.** Revise rider to update fiscal years.
- 13. (deleted) **Appropriation of CASA License Plate Receipts.** Delete rider to reflect transfer of CASA funding to HHSC.
- 17. (revised) **Sex Offender Apprehension.** Revise rider to add the US Marshall Service.
- 18. (revised) **Unexpended Balances Carried Forward Between Biennia.** Revise rider to reflect the estimated amount of Appropriated Receipts and apply them to Strategy A.1.1, Legal Services.
- 19. (revised) **State Office of Risk Management.** Revise rider to update fiscal years and budgeted amounts.
- 21. (revised) **Annual Child Support Service Fee.** Revise rider to update fiscal years and budgeted amounts.
- 22. (revised) **Monthly Child Support processing Fee.** Revise rider to update fiscal years and budgeted amounts.
- 23. (deleted) **Electronic Filing of Documents Fee.** Delete old rider that identifies fees collected and appropriated as General Revenue to the agency.
- 23. (revised) **Appropriation of License Plate Receipts.** Revise rider to update strategy, legal citations, fiscal years, and amounts.
- 24. (delete) **Comprehensive Development Agreement Review Fee.** Delete rider that identifies fees collected and appropriated as General Revenue to the agency.
- 25. (revised) **Outside Legal Counsel Contract Review Fee.** Revise rider to update fiscal years and budgeted amounts.

Section 5

- 26. (new) **Interagency Contract with the Texas Department of Transportation.** Add rider to identify Interagency Contracts with TxDOT for transportation related legal services.
- 27. (new) **Contingency for Victim Assistance Grants.** Add rider to appropriate balances out of General Revenue-Dedicated Sexual Assault Program Account No. 5010 contingent on resolution of outstanding litigation.
- 28. (new) **TXCSES 2.0 Oversight.** Add rider to create Executive Steering Committee for oversight of the Texas Child Support Enforcement System 2.0, require agency to report any cost over-runs to LBB, use Appropriated Receipts to pay for any cost over-runs, and seek LBB approval to use other Methods of Finance if Appropriated Receipts are not available.
- 29. (delete) **Contingency Cash Flow.** Delete rider due to duplicative authority provided in Rider 18, Cash Flow Contingency.
- 31. (delete) **Appropriation of Unexpended Balances for License Plate Receipts.** Delete rider due to the authority already provided in Rider 25, Appropriation of License Plate Receipts.
- 32. (delete) **Supplemental Funding for Open Records and Open Government.** Delete rider due to providing funding in base request.

Section 6

Office of the Attorney General  
Items not Included in the Recommendations - Senate

Agency Exceptional Items - In Agency Priority Order

NONE

2016-17 Biennial Total	
GR & GR-Dedicated	All Funds

Section 7

Office of the Attorney General  
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 Intro Bill
1	Legal Services Program - Civil Litigation	<b>According to the agency:</b> This item would replace \$1M in general revenue currently used for expert witnesses and jury consultants and replaces it with OAG's Appropriation of Receipts. This proposed decrease in general revenue funding could negatively impact the amount of revenue the OAG generates for the state. This loss of general revenue could be offset by an increase in Appropriated Receipts revenue. If the OAG does not collect sufficient Appropriated Receipts, the Agency will have to reduce salary costs, along with the use of expert witnesses and jury consultants in critical litigation. Therefore, this 10% reduction option is predicated on Appropriated Receipts being increased from \$16.3M per year to \$17.3M, the continued ability to collect \$10M in excess of base appropriations, and the UB Carried Forward between Biennia remaining intact.	\$2,000,000	\$2,000,000		\$0	10%	No
2	Child Support Program	<b>According to the agency:</b> This item reduces expenses for travel, consumable supplies and memberships/training by 10% across the Child Support Program. There are significant negative ramifications anticipated from implementing this 10% item reduction. The \$146,188 projected state general revenue savings would be offset by the loss of \$283,774 in federal funds, for a combined state and federal funding loss of \$429,962. To mitigate the negative effects of this reduction, the OAG would take steps to reduce travel that is not case related.	\$146,188	\$146,188		\$283,774	10%	No
3	Child Support Program	<b>According to the agency:</b> This item reduces the service of process contract. There are significant negative ramifications anticipated from implementing this 10% item reduction. Contracting with service of process vendors statewide is critical to timely establishment and enforcement of support orders. If the OAG reduced its use of service of process, it would save the state \$3.4 million in general revenue. However, this reduction would be offset by the loss of \$6.6 million in matching federal funds, for a combined state and federal funding loss of \$10M. The reduction of this item would also cause a significant biennial loss in revenue to the state of \$23.6 million (\$19.9M and \$3.7M).	\$3,400,000	\$3,400,000		\$30,240,000	10%	No

Section 7

Office of the Attorney General  
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 Intro Bill
4	Child Support Program	<b>According to the agency:</b> This item reduces certain Data Consolidation Services (DCS) costs. There are significant negative ramifications anticipated from implementing this 10% item reduction. The OAG incurs expenses associated with Chapter 2054 of Texas Government Code statewide mandate to include OAG in the DCS. If the OAG reduces DCS services, it would save the state \$1.4 million in general revenue. However, the savings would be offset by a \$2.8 million loss in matching federal funds, for a total funding loss of \$4.2 million. Additional negative reductions/ramifications, which are not included below, include: (1) a significant decrease in performance of the Child Support Division's TXCSES 1.0 (legacy systems) nightly batch processing; notably, each hour of TXCSES 1.0 system down-time during business hours equates to more than \$1 million dollars in lost child support collections; (2) increased overall CSD operational service interruptions; and (3) a reduced level of customer service for Texans statewide and OAG staff efficiency.	\$1,414,436	\$1,414,436		\$2,745,668	10%	No
5	Child Support Program	<b>According to the agency:</b> This item would reduce funding for the Child Support Division's TXCSES 2.0 (T2) computer system. There are significant negative ramifications anticipated from implementing this 10% item reduction. If T2 is delayed, it would save the state \$12.4 million in general revenue. However, these savings would be offset by the loss of \$24 million in federal matching funds, for a combined CSD funding loss of \$36.4 million. Additional reductions/ramifications, which are not included below, include (1) the federal Office of Child Support Enforcement (OCSE) could discontinue providing federal financial participation, resulting in an additional \$32.8 million loss of federal funds and/or require the return of \$136.5 million invested in the project to date; and (2) loss of competitive federal incentive awards as CSD would see a service decline.	\$12,367,672	\$12,367,672		\$24,007,834	10%	No
6	Child Support Program	<b>According to the agency:</b> This item would eliminate the Child Support Division's (CSD) IT services contract. There are significant negative ramifications anticipated from implementing this 10% item reduction. If the CSD eliminates its IT contract, it would save the state \$1.4 million in general revenue. However, these savings would be offset by the loss of \$2.8 million in federal matching funds, for a combined state and federal funding loss of \$4.2 million.	\$1,442,896	\$1,442,896		\$2,800,918	10%	No



Section 7

Office of the Attorney General  
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 Intro Bill
7	Child Support Program	<b>According to the agency:</b> This item would eliminate the Child Support Division (CSD) contract that verifies and corrects employer addresses, resolves automated income withholding issues, and adds employment information to child support cases when data fails to process automatically. There are significant negative ramifications anticipated from implementing this 10% item reduction. If the OAG eliminated this contract, it would save the state \$1.4 million in general revenue. However, this savings would be offset by the loss of \$2.8 million in federal matching funds, for a combined state and federal funding loss of \$4.2 million.	\$1,428,000	\$1,428,000		\$8,172,000	10%	No
8	Child Support Program	<b>According to the agency:</b> This item would eliminate the Child Support Division's (CSD) contract for temporary employees currently being used to help comply with the Supreme Court's new local court e-Filing requirements. There are significant negative ramifications anticipated from implementing this 10% item reduction. If the OAG eliminated this contract, it would save the state \$500K in general revenue. However, this savings would be offset by a loss of \$970K in federal funds, for a total state and federal combined funding loss for CSD of \$1.5M.	\$499,767	\$499,767		\$970,135	10%	No
9	Child Support Program	<b>According to the agency:</b> This item would eliminate the centralized Child Support Case Initiation Office in San Marcos, Texas. There are significant negative ramifications anticipated from implementing this 10% item reduction. If the OAG eliminated the Case Initiation Office, it would save the state \$4.7 million in general revenue. However, the savings would be offset by the loss of \$9.2 million in federal funds, for a combined state and federal CSD funding loss of \$14 million.	\$4,760,000	\$4,760,000		\$9,240,000	10%	No
10	Child Support Program	<b>According to the agency:</b> This item would eliminate the contract with a third party vendor to process medical support notices. There are significant negative ramifications anticipated from implementing this 10% item reduction. If the OAG eliminated this contract, it would save the state \$1.9 million in general revenue. However, the savings would be offset by the loss of \$3.6 million in federal matching funds, for a combined state and federal CSD funding loss of \$5.5 million. An additional negative ramification, not included below, is the state would still be required by federal law to identify private insurance, the OAG would need to build a new internal computer system to accommodate this process in-house and allocate approximately 18 existing FTEs.	\$1,870,000	\$1,870,000		\$3,630,000	10%	No

Section 7

Office of the Attorney General  
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 Intro Bill
11	Child Support Program	<b>According to the agency:</b> This item would eliminate the child support lien network contract. If the OAG eliminated the lien network contract, it would save the state \$340K in general revenue. However, the state general revenue savings would be offset by the loss of \$660K in federal matching funds, for a combined state and federal funding loss of \$1 million. This reduction would have an additional biennial loss in revenue to the state of \$2.8 million (\$2.4M and \$450K) including: (1) \$500K in recovered Temporary Assistance to Needy Families (TANF) assistance; (2) \$1.9 million competitive federal incentive awards; and (3) \$450K incentive payments from HHSC.	\$340,000	\$340,000		\$3,510,000	10%	No
12	Child Support Program	<b>According to the agency:</b> This item discontinues Child Support office consolidations and the opening of storefront service centers. There are significant negative ramifications anticipated from implementing this 10% item reduction. If the OAG discontinued consolidations and the opening of storefront service centers, it would save the state \$257K in general revenue. However, the savings would be offset by the loss of \$500K in federal matching funds, for a total state and federal loss of \$757K.	\$257,456	\$257,456		\$499,768	10%	No
13	Child Support Program	<b>According to the agency:</b> This item would significantly reduce the Child Support Division (CSD) Data Management Contract (DMC). There are significant negative ramifications anticipated from implementing this 10% item reduction. Reducing the CSD's DMC would eliminate these matching components that provide important data for CS case processing, and while it would save the state \$161K in general revenue, the savings would be offset by the loss of \$314K in federal matching funds, for a total state and federal funding loss of \$475K. This would result in loss of revenue to the state of \$15.8M (\$13.4M and \$2.4M), including: (1) \$2.7M in recovered Temporary Assistance to Needy Families (TANF) assistance; (2) \$10.7M in competitive federal incentive awards; and (3) \$2.4M incentive payments from HHSC.	\$161,532	\$161,532		\$16,139,560	10%	No
14	Child Support State Disbursement Unit	<b>According to the agency:</b> This item would eliminate a portion of the contract pertaining to the operation of the State Disbursement Unit (SDU) Call Center. There are significant negative ramifications anticipated from implementing this 10% item reduction. If the OAG eliminated a portion of the SDU contract, it would save the state \$1.3 million in general revenue. However, the savings would be offset by the loss of \$2.5 million in federal funds, for a total state and federal funding loss of \$3.8 million.	\$1,287,208	\$1,287,208		\$2,498,696	10%	No

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Office of the Attorney General  
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 Intro Bill
15	Crime Victim Services Program	<b>According to the agency:</b> This cost savings of \$1,700,00 could be achieved by reducing the general revenue for the Victims Assistance Strategy. There are significant negative ramifications anticipated from implementing this 10% item reduction. This general revenue provides grant funding for hundreds of non-profit organizations and local governmental bodies that provide services to Texas crime victims. Specifically, a 10% reduction to the Victims Assistance strategy would reduce funding to Victims Assistance Coordinators and Victims Liaisons, the Court Appointed Special Advocates (CASA) Program, the Sexual Assault Prevention and Crisis Services Program, the Sexual Assault Services Program, the Children's Advocacy Centers (CACs), Legal Services grants (Supreme Court), Other Victims Assistance Grants, and Statewide Victim Notification System.	\$3,400,000	\$3,400,000		\$0	10%	No
16	Law Enforcement Program	<b>According to the agency:</b> This cost savings of \$500k could be achieved by eliminating 3.9 FTEs, through attrition, within the Legal Services strategy, that are performing law enforcement related duties. There are significant negative ramifications anticipated from implementing this 10% item reduction including having less peace officers available to investigate sexual predators and cyber crimes, locate and arrest certain parole absconders, and investigate money laundering by organized criminal enterprises, human trafficking, fraud cases, and Election Code violations. For the 2016-17 biennium, the reduction in FTEs in Legal Services would impact the key measure "Legal Hours Billed to Litigation and Counseling" by 12,679 hours.	\$442,630	\$442,630	3.9	\$0	10%	No
17	Legal Services Program - Civil Litigation	<b>According to the agency:</b> This cost savings of \$4.3M could be achieved by eliminating 34.8 FTEs, through attrition, within the Legal Services strategy. There are significant negative ramifications anticipated from implementing this 10% item reduction. A hiring and salary freeze could significantly reduce OAG's capacity to collect civil recoveries and thereby generate revenue for the state treasury. Other ramifications include significant harm to the OAG's ability to effectively represent state agencies in court, and a decline during FY 2016-17 in the key measure "Legal Hours Billed to Litigation and Counseling" by 113,135 hours.	\$4,305,088	\$4,305,088	34.8	\$0	10%	No

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Office of the Attorney General  
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 Intro Bill
18	Legal Services Program - Criminal Justice	<b>According to the agency:</b> This cost savings of \$569K could be achieved by eliminating 4.6 FTEs, through attrition, within the Legal Services strategy that are performing criminal prosecutions. There are significant negative ramifications anticipated from implementing this 10% item reduction. The negative ramifications of this reduction include a decline in the OAG's ability to investigate and provide prosecutorial assistance on complex criminal cases. Further, for the 2016-17 biennium, the reduction in FTEs in Legal Services would negatively impact the key measure "Legal Hours Billed to Litigation and Counseling" by 14,954 hours.	\$569,102	\$569,102	4.6	\$0	10%	No
19	Legal Services Program - General Legal Counsel	<b>According to the agency:</b> This biennial cost savings of \$532K could be achieved by eliminating 4.3 FTEs, through attrition, within the Legal Services strategy that are providing legal advice. There are significant negative ramifications anticipated from implementing this 10% item reduction. The negative ramifications of this reduction include a decline in the OAG's ability to timely provide legal advice and counsel and respond to questions of law. Further, for the 2016-17 biennium, the reduction in FTEs in Legal Services would negatively impact the key measure "Legal Hours Billed to Litigation and Counseling" by 13,980 hours.	\$531,988	\$531,988	4.3	\$0	10%	No
20	Child Support Program	<b>According to the agency:</b> This biennial cost savings of \$3.8 million could be achieved by eliminating 121.7 FTEs, through attrition, within the Child Support Enforcement strategy. There are significant negative ramifications anticipated from implementing this 10% item reduction. For the 2016-17 biennium, the reduction of 121.7 FTEs in the Child Support Program would reduce general revenue expenditures by \$3.3 million. However, the savings would be offset by a \$7.2 million loss in federal matching funds, for a combined state and federal funding loss to the Child Support Program of \$10.5 million. This reduction would have an additional significant biennial loss in revenue to the state of \$6.3 million (\$4.6M and \$1.7M) including: (1) \$1.5 million recovered Temporary Assistance to Needy Families (TANF) assistance; (2) \$3.1 million competitive federal incentive awards; and (3) \$1.7 million incentive payments from HHSC.	\$3,299,586	\$3,299,586	121.7	\$13,467,194	10%	No

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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 Intro Bill
21	Criminal Medicaid Fraud Investigation Program	According to the agency: This biennial cost savings of \$241K could be achieved by eliminating 8.0 FTEs, through attrition, within the Medicaid Investigation strategy. There are significant negative ramifications anticipated from implementing this 10% item reduction. The \$242K in general revenue savings would be offset by the loss of \$726K in federal matching funds, for a total state and federal funding loss to the Medicaid Investigation Control Unit of nearly \$1 million. It will negatively impact the key measure "Amount of Medicaid Over-payments Identified". The impact in amount of Medicaid over-payments identified cannot be calculated because such variables as complexity, length and disposition of cases in the 2016-17 biennium is unknown.	\$241,834	\$241,834	8.0	\$725,500	10%	No
TOTAL, 10% Reduction Options			\$44,165,383	\$44,165,383	177.3	\$118,931,047		

Office of the Attorney General  
Summary of 10 Percent Biennial Base Reduction Options - Senate  
Agency 10% Reduction Options by Category of Reduction

