

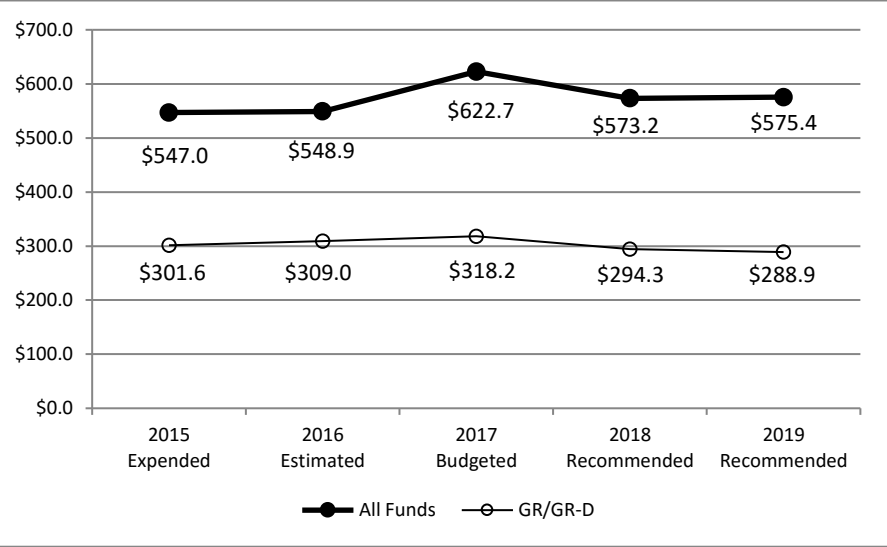
Office of the Attorney General  
Summary of Recommendations - Senate

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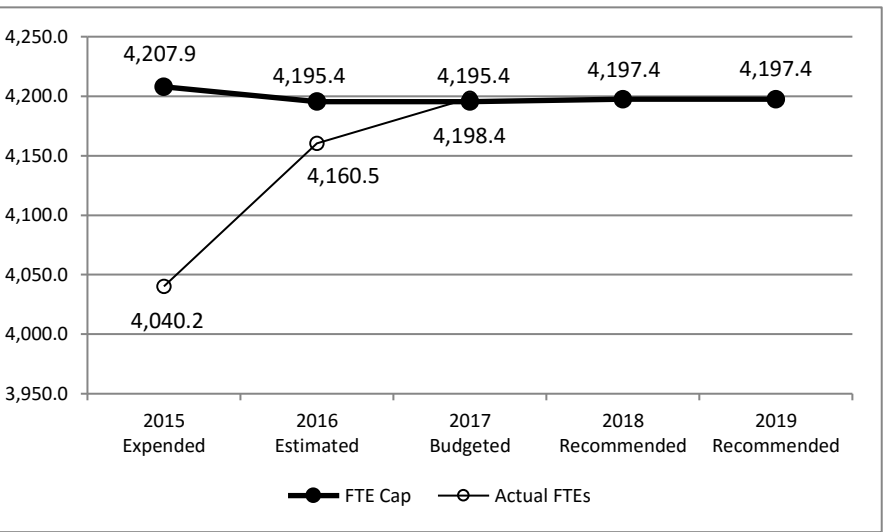
Method of Financing	2016-17 Base	2018-19 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$471,724,836	\$439,286,499	(\$32,438,337)	(6.9%)
GR Dedicated Funds	\$155,474,126	\$143,830,156	(\$11,643,970)	(7.5%)
Total GR-Related Funds	\$627,198,962	\$583,116,655	(\$44,082,307)	(7.0%)
Federal Funds	\$419,407,798	\$434,256,349	\$14,848,551	3.5%
Other	\$124,969,900	\$131,204,584	\$6,234,684	5.0%
All Funds	\$1,171,576,660	\$1,148,577,588	(\$22,999,072)	(2.0%)

	FY 2017 Budgeted	FY 2019 Recommended	Biennial Change	Percent Change
FTEs	4,198.4	4,197.4	(1.0)	(0.0%)

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2018-19 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2018-19 biennium.

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

**Section 2**

Funding Changes and Recommendations for the 2018-19 Biennium compared to the 2016-17 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<b>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):</b>							
A)	Decrease in funding for Child Support Enforcement program contract and IT costs, Victims Assistance Grants, and Legal Services, pursuant to 4% reduction.	(\$15.2)	(\$4.2)	(\$24.3)	\$0.0	(\$43.7)	A.1.1, B.1.1, C.1.2
B)	Increase funding for Victim Assistance Grants to restore \$6.5 million in General Revenue reduced by the agency as part of 4% reduction. Recommendations restore grant funding to 2016-17 appropriated levels.	\$2.4	\$4.1	\$0.0	\$0.0	\$6.5	C.1.2
C)	Victim Assistance Grants strategy method of finance swap. Decrease in General Revenue coinciding with an increase in GR-D Account No. 469.	(\$13.1)	\$13.1	\$0.0	\$0.0	\$0.0	C.1.2
D)	Crime Victims Compensation strategy method of finance swap. Decrease in GR-D Account No. 469 coinciding with an increase of Federal Funds.	\$0.0	(\$24.6)	\$24.6	\$0.0	\$0.0	C.1.1
E)	Legal Services strategy method of finance swap. Decrease in General Revenue coinciding with an increase in Appropriated Receipts.	(\$6.5)	\$0.0	\$0.0	\$6.5	\$0.0	A.1.1
<b>OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):</b>							
F)	Decrease in estimated federal funds due to realignment of funding among certain Child Support activities causing a net decrease in budget authority due to differing federal requirements.	\$0.0	\$0.0	(\$0.3)	\$0.0	(\$0.3)	B.1.1, B.1.2, D.1.1
G)	Increase in Appropriated Receipts projected from attorney and court fees.	\$0.0	\$0.0	\$0.0	\$5.5	\$5.5	A.1.1
H)	Decrease in Interagency Contract receipts with Health and Human Services Commission (HHSC) for an anticipated reduction in Medicaid reimbursement collection payments from HHSC.	\$0.0	\$0.0	\$0.0	(\$5.5)	(\$5.5)	A.1.1, B.1.1
I)	Net increase in Federal Funds for increased victims compensation payments and completion of capital projects.	\$0.0	\$0.0	\$14.8	\$0.0	\$14.8	C.1.1
J)	Miscellaneous items.	\$0.0	\$0.0	\$0.0	(\$0.3)	(\$0.3)	4 Strategies
<b>TOTAL SIGNIFICANT &amp; OTHER Funding Changes and Recommendations (in millions)</b>		<b>(\$32.4)</b>	<b>(\$11.6)</b>	<b>\$14.8</b>	<b>\$6.2</b>	<b>(\$23.0)</b>	<b>As Listed</b>
SIGNIFICANT & OTHER Funding Increases		\$2.4	\$17.2	\$39.4	\$12.0	\$26.8	As Listed
SIGNIFICANT & OTHER Funding Decreases		(\$34.8)	(\$28.8)	(\$24.6)	(\$5.8)	(\$49.8)	As Listed

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

1. **Removal of expenditures to meet the four percent reduction.** Agency reductions totaled \$19.3 million in General Revenue (GR) and GR-Dedicated (GR-D).
  - Child Support Enforcement Program:
    - Decrease of \$7.1 million in GR and \$13.9 million in Federal Funds for the re-negotiation of the State Disbursement Unit Vendor contract.
    - Decrease of \$3.4 million in GR and \$6.6 million in Federal Funds for Data Center Services due to a reduced need for services as a result of the implementation of the Texas Child Support Enforcement System (T2) in fiscal year 2018.
    - Decrease of \$2.0 million in GR and \$3.8 million in Federal Funds for IT related software procurements and hardware purchases.
  - Decrease in Victim Assistance Grants of \$2.4 million in GR and \$4.1 million in GR-D. Program provides victim-related services support and assistance throughout the state. Recommendations restore this funding.
  - Legal Services decrease of \$0.3 million in GR due to the savings realized from the deletion of Rider 31 in 2018-19 as requested by both agencies. The current contract between the OAG and the Comptroller requires the OAG to provide tax attorney related legal services. The Comptroller's office will use its own in-house attorneys in the 2018-19 biennium.
  
2. **Victims Assistance Grants.** Recommendations fund Victims Assistance Grants at 2016-17 appropriated levels, as outlined in the table below. Additionally, recommendations include a method of finance (MOF) swap in Strategy C.1.2, Victims Assistance, reflecting a \$13.1 million increase in General Revenue - Dedicated Account No. 469 and a corresponding decrease to General Revenue. The OAG works with law enforcement agencies, prosecutors' offices, state agencies and local and statewide nonprofit organizations to provide grants and contracts supporting victim-related services or assistance across the state. Seven assistance programs are administered by the agency and their funding amounts are outlined in Rider 9 of the OAG bill pattern. Strategy C.1.2 is made up entirely of appropriations directed to these programs.

Program	Appropriated 2016-17 Biennium Total	Requested 2018-19 Biennium Total	Biennium Difference	Recommended 2018-19 Biennium Total
Victims Asst Coordinators and Victims Liaisons	\$4,879,906	\$4,552,678	(\$327,228)	\$4,879,906
Sexual Assault Prevention and Crisis Services Program	\$26,173,154	\$21,956,686	(\$4,216,468)	\$26,173,154
Sexual Assault Services Program Grants	\$2,250,000	\$2,575,702	\$325,702	\$2,250,000
Legal Services Grants	\$5,000,000	\$4,678,644	(\$321,356)	\$5,000,000
Other Victim Assistance Grant	\$21,699,090	\$20,196,174	(\$1,502,916)	\$21,699,090
Statewide Victim Notification System	\$6,230,686	\$5,817,438	(\$413,248)	\$6,230,686
Address Confidentiality	\$322,698	\$326,260	\$3,562	\$322,698
<b>Total</b>	<b>\$66,555,534</b>	<b>\$60,103,582</b>	<b>(\$6,451,952)</b>	<b>\$66,555,534</b>

- 3 **Crime Victims' Compensation.** Recommendations include \$81.9 million in General Revenue – Dedicated Compensation to Victims of Crime Account No. 469 (GR-D Account No. 469) for crime victim compensation (Strategy C.1.1.) based on historic trends of applications for compensation (see page 6 for historical funding chart). Recommended appropriations from GR-D Acct. No. 469 are a \$24.7 million decrease from the 2016-17 biennium funding levels. This decrease in GR-D Account No. 469 is offset by an increase in federal funds Crime Victim Compensation awards of an equivalent amount. The agency has reported lapses in the previous biennium of available federal fund awards and the recommendations reflect the optimal allocation of state contribution to federal fund match in order to maintain requested funding in the Crime Victim Compensation strategy.

According to the agency, revenue into the GR-D Account No. 469 is affected by factors that could result in decreasing revenues to the account in future years. Future revenue declines include court costs, which are projected by the agency to be declining by 2.5 percent per year, and revenue from inmate phone calls, which is subject to new Federal Communication Commission regulations that may adversely affect revenues. Revenue in the account is anticipated to be \$81.8 million in fiscal year 2018 and \$81.5 million in fiscal year 2019. Current recommendations for appropriation from GR-D Account No. 469 align appropriations with anticipated revenues and allow the account to maintain its balance in future biennia.

Court costs provide the largest share revenue for GR-D 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.

4. **Method of Finance Swap for Child Support Funding.** Recommendations include a method of finance (MOF) swap in Strategy B.1.1, Child Support Enforcement, reflecting a \$48.3 million decrease from General Revenue (GR) and a corresponding increase to General Revenue - Child Support Retained Collections Account. No 787 (Retained Collections Account) for balances anticipated to be available in the 2018-19 biennium. The recommendation would leave an approximate balance of \$25.0 million in the Retained Collections Account at the end of fiscal year 2019 to provide cash flow and allow the agency to pay contracts and agreements prior to being reimbursed by the federal government. Both accounts are in General Revenue.

In the 2016-17 biennium additional General Revenue was appropriated to make up for anticipated loss in the Child Support Retained Collections Account. The analysis assumed Recovered Assistance revenues were decreasing and would continue to do so in the future as the number of Temporary Assistance to Needy Families (TANF) recipients declined. Recovered Assistance revenue comes from the state retaining a portion of the costs savings to Medicaid as a result of processing child support for individuals who are TANF recipients. As a result of replacing funding previously appropriated from Recovered Assistance revenues with GR, revenue continued to flow to the Retained Collections Account in the current biennium. Based on current revenue estimates submitted by OAG, recommendations for the 2018-19 biennium assume that there are sufficient balances in the Retained Collections Account to appropriate \$48.3 million in Recovered Assistance funds for child support expenditures. Based on current revenue estimates submitted by OAG for the 2018-19 biennium, the Retained Collections Account will include sufficient balances to cover the MOF swap.

5. **Method of Finance Swap for Legal Services.** Recommendations include a method of finance (MOF) swap in Strategy A.1.1, Legal Services, reflecting a \$6.5 million decrease from General Revenue (GR) and a corresponding increase to Appropriated Receipts due to unexpended balances anticipated to be available in the 2018-19 biennium. Appropriated Receipts are collected by the agency from court costs, attorney fees and other authorized collections.

6. **Child Support TXCES 2.0 (T2) Project.** The T2 Project seeks to enhance Texas' main system for the Child Support Division. Improvements include automation of child support service applications, child support orders, and order compliance enforcement, as well as the automatic collection and disbursement of child support payments. T2 development began in fiscal year 2009 but has experienced delays and cost overruns. T2 was originally scheduled for release as two phases between June of 2016 and July of 2017 at an estimated total cost of \$223.6 million. The cost of the T2 project is shared, with the state assuming 34% (\$76.0 million originally) and the federal Office of Child Support Enforcement assuming 66% (\$147.6 million originally) of the total project cost.

Due to state and vendor performance issues, as well as over 30 change orders issued on the development portion of the project, federal funding was suspended between November 2015 and March of 2016. Resumption of this funding was contingent on the adoption of a new governance model. OAG worked with QAT and federal partners to successfully amend the governance model in August of 2016. T2 is now expected to be released as one phase in December of 2018 at an estimated total cost of \$419.6 million (State = \$142.6 million, Federal = \$277.0 million).

Recommendations include \$57.1 million in All Funds for the Texas Child Support Enforcement System 2.0 (T2) capital project, which includes \$19.4 million in General Revenue and \$36.7 million in Federal Funds for the match requirement of 34 percent of state dollars to 66 percent of federal grants. Additionally, \$27.9 million in All Funds is for Data Center Services related to TXCES 2.0. Recommendations continue Rider 28, TXCES 2.0 Oversight, which requires the OAG to form an Executive Steering Committee to provide executive-level strategic direction and commitment to the T2 project and report any budget over-runs to the Legislative Budget Board. Committee membership includes executive level representatives from the OAG, Accenture Representatives, LBB staff and staff from the Department of Information Resources associated with the Quality Assurance Team (QAT). During the monthly scheduled meetings, the OAG provides project status reports including all deliverables and milestones, while providing opportunities for questions from the committee members.

7. **General Revenue – Dedicated Sexual Assault Program Account No. 5010.** Recommendations provide \$20.4 million in General Revenue – Dedicated Sexual Assault Program Account No. 5010 in the 2018-19 biennium to continue victim assistance grants at 2016-17 appropriation levels.

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, required certain sexually oriented businesses to pay the state an amount equal to \$5 for each customer admitted and directed the first \$25 million collected from sexually oriented businesses to be deposited in Account No. 5010. The act has faced legal challenges, most notably in Texas Entertainment Association v. Combs, which was filed in December of 2007. The legal action challenged 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, counterclaimed that the provision is a general excise tax. The case was originally decided in district court for the plaintiffs in March 2008, but through the appeals process worked its way to the Texas Supreme Court, who remanded the case back to the trial court for further proceedings in August of 2011. In May 2014, the case had again reached the appellate court who ruled in favor of the state, affirming that the sexually oriented business fee is not unconstitutional and that the revenue from the fee was not to be treated like an occupation tax. The Texas Supreme Court declined to hear the appeal from the Texas Entertainment Assoc. on November 21, 2014. Petition to the U.S. Supreme Court was denied March 23, 2015.

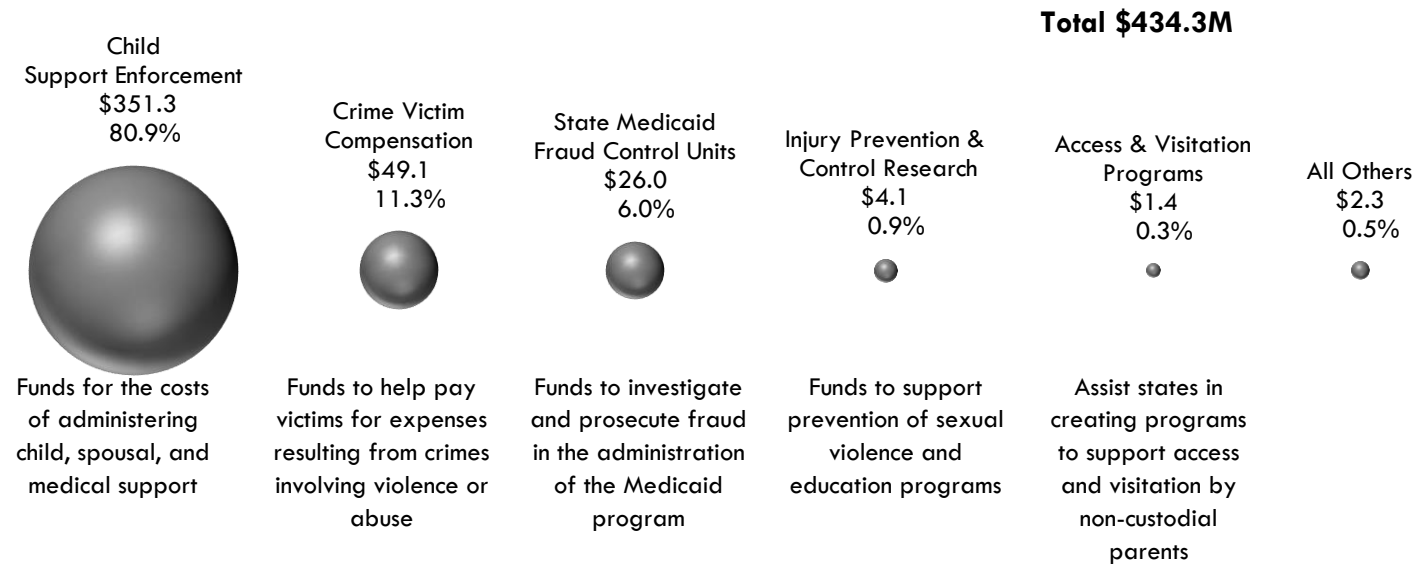
Recommendations also delete Rider #27, Contingency for Victim Assistance Grants, which is a contingency rider that would provide General Revenue in the event that litigation prohibits the expenditure of the balances collected from the \$5 adult entertainment fee. According to information provided by the Comptroller, revenues and balances remain sufficient to cover recommended appropriations.

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

	<b>Expended 2012-13</b>	<b>Expended 2014-15</b>	<b>Budgeted 2016-17</b>	<b>Recommended 2018-19</b>
<b>Programs at the Office of the Attorney General (Represents use for 2016-17 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.	\$85,345,328	\$100,465,364	\$106,553,308	\$81,902,286
(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.	\$4,867,389	\$2,785,672	\$4,885,220	\$4,879,906
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. <i>Transferred to HHSC.</i>	\$17,000,000	\$9,468,090	\$0	\$0
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.	\$12,498,784	\$7,906,570	\$26,200,549	\$26,173,154
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	\$417,710	\$2,250,000	\$2,250,000
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. <i>Transferred to HHSC.</i>	\$15,998,006	\$8,910,032	\$0	\$0
6) <b>Legal Services Grants.</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	\$2,784,732	\$5,000,000	\$5,000,000
7) <b>Other Victim Assistance Grants.</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.	\$21,044,462	\$12,055,074	\$21,722,059	\$21,699,090
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.	\$6,310,638	\$3,714,343	\$6,242,612	\$6,230,686
9) <b>Address Confidentiality.</b> Funding for the Address Confidentiality Program whose purpose is to protect family violence, sexual assault, human trafficking, and stalking victims by allowing them to utilize a post office box maintained by the OAG, which preserves the confidentiality of their residence or place of work.	\$317,062	\$321,080	\$326,260	\$322,698
<b>Total, Programs at the Office of the Attorney General</b>	<b>\$169,131,669</b>	<b>\$148,828,667</b>	<b>\$173,180,008</b>	<b>\$148,457,820</b>

Note: SB 234, 84th Legislature, Regular Session, 2015, transferred Court Appointed Special Advocates and Children's Advocacy Center grants to the Health and Human Service Commission. Funding amounts above for Crime Victims Compensation do not include federal funds within the strategy appropriation. Funding amounts in Victims Assistance Grants also include additional methods of finance.

Office of the Attorney General  
Summary of Federal Funds (2018 - 19) - Senate



**Selected Federal Fiscal and Policy Issues**

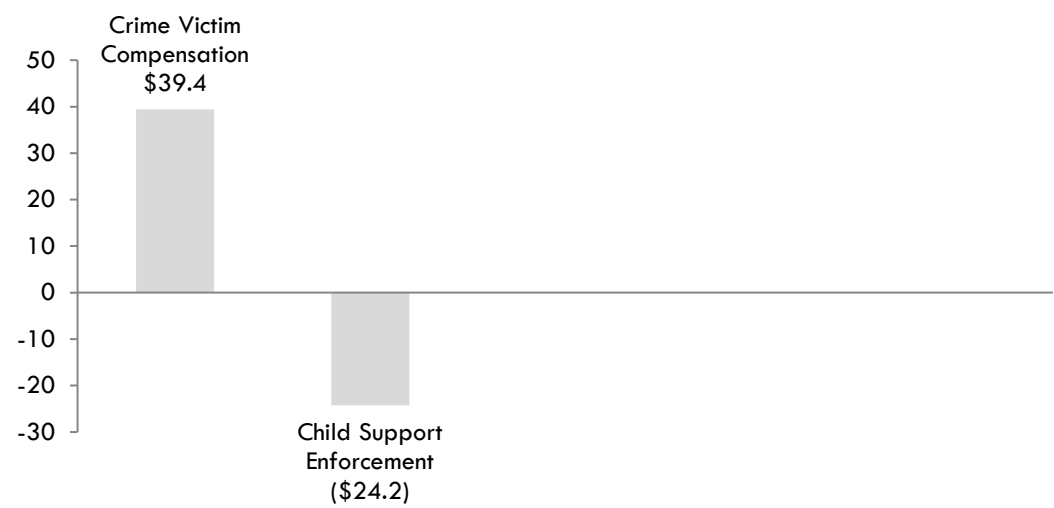
1. Federal Funds recommendations for the 2018-19 biennium reflect a decrease of \$24.2 million for federal Child Support Enforcement, which is directly attributable to increased expenditures in fiscal year 2017 for the same program.

2. Agency reported a lapse of \$22.8 million in federal Crime Victim Compensation (CVC) awards in fiscal year 2016. LBB recommendations increase CVC expenditures for the 2018-19 biennium by \$34.7 million.

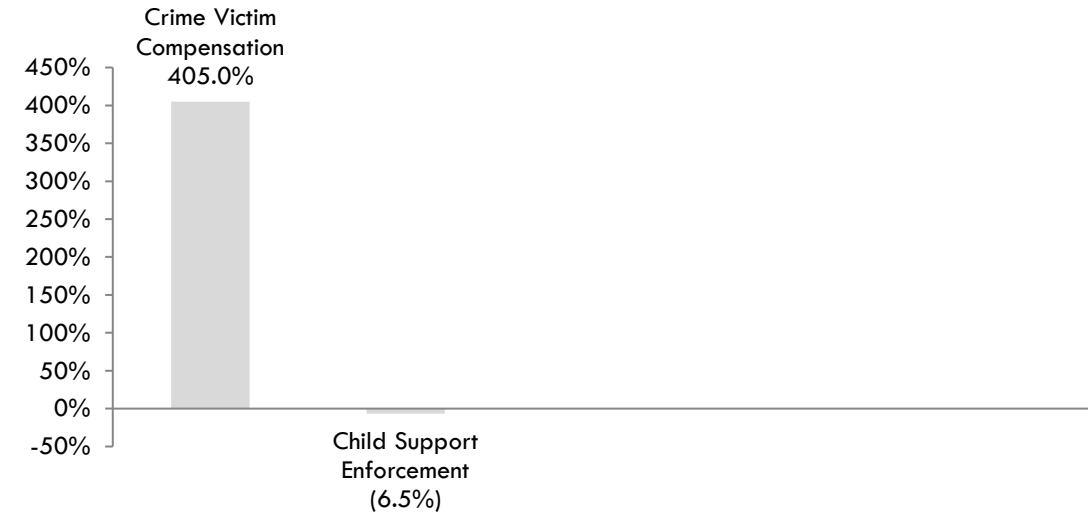
See Section 3 for additional information on recommended state expenditures that would allow the state to fully expend federal awards.

Programs with Significant Federal Funding Changes from 2016 - 17

Program-by Amount



Program-by Percentage



Office of the Attorney General  
Contracting Highlights - Senate

Summary of Contracts Awarded 09/01/2014 to 01/17/2017 and Reported to LBB Contracts Database\*

(Dollar values rounded to the nearest tenth of a million)

	Number	Total Value	Average Value	% of total
Procurement Contracts	526	\$ 299.4	\$ 0.6	100%

Award Method

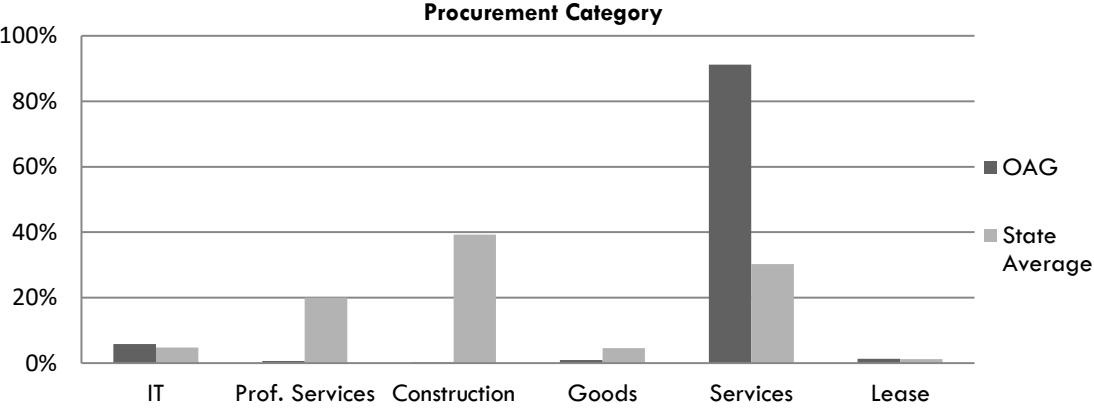
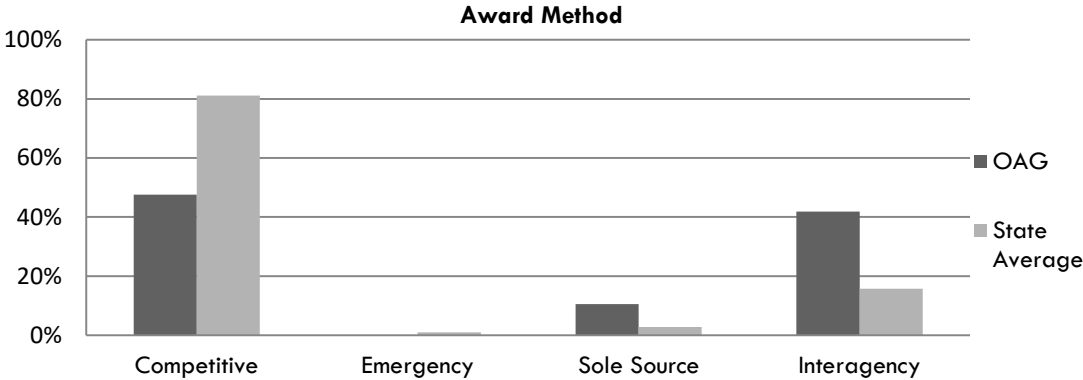
Total Competitive Contracts	404	\$ 142.5	\$ 0.4	47.6%
Total Non-Competitive	122	\$ 157.0	\$ 1.3	52.4%
Emergency	0	\$ -	\$ -	0.0%
Sole Source	31	\$ 31.7	\$ 1.0	10.6%
Interagency Agreement	91	\$ 125.3	\$ 1.4	41.8%

Procurement Category

Information Technology	43	\$ 17.4	\$ 0.4	5.8%
Professional Services	2	\$ 1.8	\$ 0.9	0.6%
Construction	1	\$ 0.4	\$ 0.4	0.1%
Goods	17	\$ 2.9	\$ 0.2	1.0%
Other Services	458	\$ 273.0	\$ 0.6	91.2%
Lease/Rental	5	\$ 4.0	\$ 0.8	1.3%

Revenue Generating Contracts	1	\$ 47.8	\$ 47.8	15.9%
Competitive	0	\$ -	\$ -	0.0%
Non-competitive	1	\$ 47.8	\$ 47.8	15.9%

Comparisons with State Averages



\*Note: These figures reflect the total value of reported contracts awarded 09/01/2014 to 01/17/2017 and reported to the LBB contract database. Values can include planned expenditures for subsequent years and represent the amounts contracted which may include funds from sources other than appropriated or General Revenue Funds.



**Office of the Attorney General**  
**Contracting Highlights - Senate**

(Dollar values rounded to the nearest tenth of a million)

<b>Largest Active Contracts from Previous Fiscal Years</b>	<b>Award Method</b>	<b>Total Value</b>	<b>% Change*</b>	<b>Award Date</b>	<b>Length</b>	<b>Renewals</b>	<b>Vendor</b>
1 Data Center Services <sup>1</sup>	Interagency	\$ 202.6	-	05/01/12	5 years	2	Department of Information Resources
2 Texas Child Support Enforcement System 2.0 DDI	Competitive	\$ 150.2	114.9%	10/08/10	8 years	0	Accenture LLP
3 Data Center Consolidation Services	Interagency	\$ 21.1	-	05/01/12	5 years	0	Department of Information Resources
4 Quality Assurance Monitoring for TXCSES 2.0	Competitive	\$ 9.1	-	09/27/12	6 years	0	RFD & Associates
5 Child Support Medical Support	Competitive	\$ 8.1	23.7%	06/04/13	6 years	0	Maximus Human Services Inc.

**Largest Contracts Awarded in FY 17 to 01/17/2017**

1 Crime Victim Services Workflow and Imaging Software	Competitive	\$ 6.4	-	10/28/16	1 year	0	Adjacent Technologies Inc.
2 Crime Victim Services Web Portal	Competitive	\$ 3.5	-	11/22/16	3 years	0	Adjacent Technologies Inc.
3 Grant to State Sexual Assault Coalition	Interagency	\$ 0.8	-	09/01/16	1 year	0	Texas Assoc. Against Sexual Assault
4 Enterprise Electronic Discovery Solution	Competitive	\$ 0.5	-	11/21/16	1 year	0	Document Technologies LLC
5 Tarrant County State Case Registry & Customer Service	Interagency	\$ 0.5	-	09/01/16	5 years	0	Tarrant County Domestic Relations

**Largest Competitive Contracts Awarded in FY 15-16**

1 State Disbursement Unit and Payment Card Services	Competitive	\$ 44.7	-	03/25/15	4 years	3	Systems and Methods Inc.
2 Medicaid Child Support Cost Recovery Program	Interagency	\$ 47.8	-	09/01/15	2 years	0	HHSC
3 Private Service of Process	Competitive	\$ 21.0	-	08/31/15	6 years	0	Executive Process LLC
4 Child Support Court Administration	Interagency	\$ 13.7	-	09/01/15	2 years	0	Office of Court Administration
5 Legal Services	Interagency	\$ 12.2	-	09/01/15	2 years	0	Department of Transportation

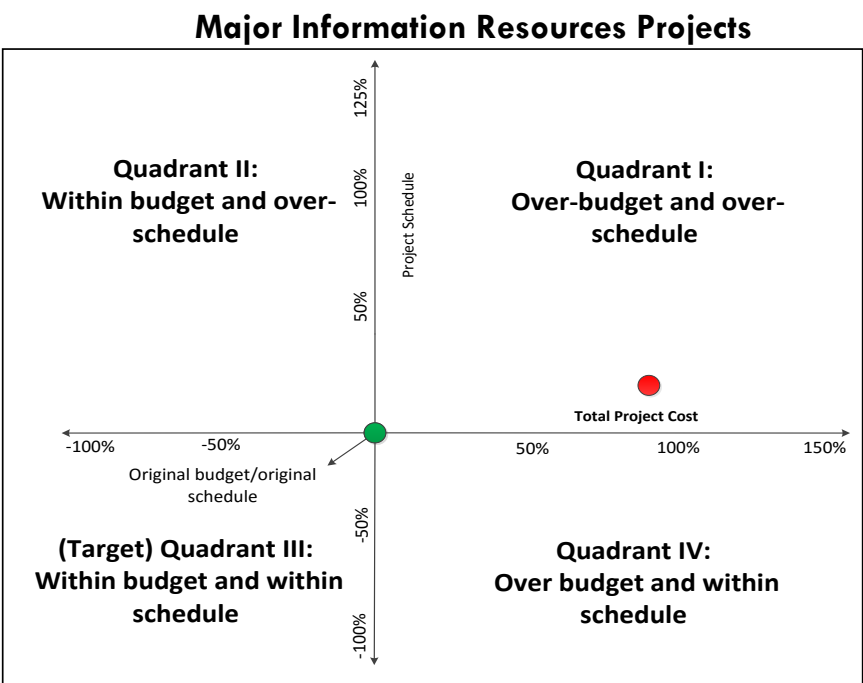
\*Note: The percent change in contract value between initial award amount and the current contract value. Includes contract amendments and renewals.

Office of Attorney General  
Quality Assurance Team Highlights - Senate

Summary of Total Costs (in millions) and Time Frames reported to the Quality Assurance Team\*

Project Name	Original Projected Costs	Current Projected Costs	Difference in Costs	Expenditures to Date	Original Timeline in Months	Current Timeline in Months	Difference in Time	% Complete	
1 Crime Victims Services Web Portal	\$3.7	\$3.7	\$0.0	\$0.0	21	21	0	0%	●
2 Texas Child Support Enforcement System 2.0 Initiative (T2)	\$223.6	\$419.6	\$196.0	\$261.5	111	123	12	67%	●
State Share (34%)	\$76.0	\$142.6	\$66.6	\$88.9					
Federal Share (66%)	\$147.6	\$277.0	\$129.4	\$172.6					
Project Totals (2)	\$223.6	\$419.6	\$196.0	\$261.5					

Note: Increase to costs and duration for T2 are due to the agency's re-baseline of the project multiple times over the lifecycle of the project. The most notable is related to the federal Office of Child Support Enforcement (OCSE) freezing funds for portions of the project in December 2015. However, OAG was able to continue some infrastructure (Data Center and Project Management) work on the project because the freeze was related to funding that was being paid to Accenture. In June 2016 OAG submitted a contract amendment to QAT for review. On August 26, 2016 QAT approved the contract amendment which increased the contract from \$98.3 million to an estimated \$150.2 million. This approval provided OAG with the mechanism to re-baseline the project with a new estimated timeline and cost.



\*Note: These figures reflect all project costs (Capital and Informational) and timelines from self-reported monitoring reports that are sent to the Quality Assurance Team (QAT) for review. QAT includes representatives from the Legislative Budget Board, the State Auditor's Office, and the Department of Information Resources.

Office of Attorney General  
Quality Assurance Team Highlights - Senate

Section 3c

Significant Project Highlights

1 **Crime Victims Services Web Portal**

This project was authorized to begin in FY 2016 as a two year project and was appropriated \$0.5 million for project development (Funding is 66% Federal Funds and 34% General Revenue).

The Office of the Attorney General (OAG) serves victims of crime by administering the Crime Victims' Compensation Program and victim service-related grants and contracts, in addition to offering training and outreach programs.

This project has recently been initiated and it is anticipated to use customized off the shelf (COTS) solution utilizing 90% of built in functionality making this system easier to maintain and upgrade. The project is expected to further enhance the new Crime Victims' Management System by providing information to clients by using a modern and efficient web portal. Existing cloud infrastructure services through the Vendor will be leveraged utilizing virtual servers with disaster recovery capabilities.

Due to negotiations on warranty work for the project, there has been a delay in the project start. Milestones are currently at a high-level and will be updated during the next monitoring report that is due March 2017.

2 **Texas Child Support Enforcement System 2.0 (T2) Initiative**

This project is headed by OAG's Child Support Division and was authorized to begin in FY 2010 as a seven year project. The initial stages included project planning by Deloitte, which concluded in 2012.

The T2 project will implement a server-based architecture for Case Initiation, Locate, Establishment, Enforcement and Financial business functions along with other supporting functionality, including Enterprise Content Management, Enterprise Reporting, Security Management, and Forms Processing. The original project completion was scheduled for December 31, 2017 but several delays and performance issues have extended this deadline through December 3, 2018.

OAG began a project review with Accenture in September 2015. In December 2015 the federal Office of Child Support Enforcement (OCSE) froze funding for portions of the T2 project. However, OAG was able to continue some infrastructure (Data Center and Project Management) work on the project because the freeze was related to funding that was being paid to Accenture for design, development, and implementation (DDI). Resumption of federal funding was contingent on the adoption of a revised governance model.

QAT Budget Highlights (in millions)

Project Name	2016-17 Base	2018-19 Requested	2018-19 Recommended
1 CVS Web Portal	\$0.5	\$0.0	\$0.0
2 TXCSES 2.0 Initiative	\$42.8	\$57.1	\$57.1
<b>Total</b>	<b>\$43.3</b>	<b>\$57.1</b>	<b>\$57.1</b>

\* Note: Requested amounts for 2018-19 include all baseline and exceptional item funding requested by the agency. Recommended amounts for 2018-19 include baseline funding only.

**Texas Child Support Enforcement System 2.0 (T2) Initiative (cont.)**

OAG submitted a revised draft amendment of the Accenture T2 DDI contract to QAT on June 6, 2016. On July 20, 2016, QAT relayed concerns regarding the initial version of the amendment. After addressing many of QAT's concerns, OAG provided the amendment to the federal Office of Child Support Enforcement (OCSE) for review. OCSE reviewed the amendment and made additional recommendations. OAG transmitted a copy of this updated amendment to QAT on August 17, 2016 for final evaluation.

On August 25, 2016 OCSE approved the contract amendment and QAT approved the contract amendment the following day. This approval provided OAG with the mechanism to re-baseline the project and create a new deployment method.

The initial contract amount of \$69.9 million increased over time to \$98.3 million due to multiple change order requests. This contract amendment increases the contract from \$98.3 million to an estimated \$150.2 million. Should future contract amendments increase the original contract amount more than 10 percent (or \$6.99 million), the agency will need to submit an additional contract amendment to QAT for review.

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

**Modification of Existing Riders**

2. **Capital Budget.** Recommendations revise this rider to update the Child Support TXCESES 2.0 project to a single release and increase the capital budget authority to \$30,690,829 in fiscal year 2018 and \$26,406,435 in fiscal year 2019. Recommendations also include capital budget authority of \$51,636,341 in fiscal year 2018 and \$51,981,462 in fiscal year 2019 to maintain current obligations for Data Center Consolidation (DCS) related costs.
9. **Victim Assistance Grants.** Recommendations revise this rider to incorporate language formerly located in Article IX, Section 18.27, which appropriated \$300,000 in General Revenue each fiscal year to fund domestic violence high risk teams. Recommendations leave grant funding levels consistent with the 2016-17 funding levels.

**Deleted Riders**

31. **Interagency Contract with the Comptroller of Public Accounts.** Recommendations delete this rider as the Comptroller has hired their own tax attorney to cover the work in which the OAG was required to do by this rider.

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

**Section 5**

	2018-19 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
	GR & GR-D	All Funds	FTEs			

**Agency Exceptional Items - In Agency Priority Order**

1)	Funding for CAPPS Implementation	\$7,984,841	\$8,197,147	0.0	Yes	Yes	\$7,282,130
2)	Modification of Rider 9, Victims Assistance Grants. Request to increase the appropriation and funding allocation of Victim Assistance Grants.	\$71,166	\$71,166	0.0	No	No	\$71,166
3)	Modification of Rider 28, Outside Legal Contract Reviews, which will modify the reporting requirements of the agency regarding outside legal contract reviews.	\$0	\$0	0.0	No	No	\$0
4)	Modification of Rider 29, Human Trafficking Prevention Task Force, Reporting Requirement, which will modify the reporting requirement of the agency regarding the activities of the Human Trafficking Task Force.	\$0	\$0	0.0	No	No	\$0
5)	New Rider: Full-Time Equivalent Positions Intern Exemption, which will allow the agency to exclude certain FTEs in temporary positions from employment level limitations.	\$0	\$0	0.0	No	No	\$0

<b>TOTAL Items Not Included in Recommendations</b>	<b>\$8,056,007</b>	<b>\$8,268,313</b>	<b>0.0</b>				<b>\$7,353,296</b>
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**Office of the Attorney General  
Appendices - Senate**

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\* Appendix is not included - no significant information to report

Office of the Attorney General  
Funding Changes and Recommendations - Senate, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
LEGAL SERVICES A.1.1	\$201,151,498	\$204,206,834	\$3,055,336	1.5%	Recommendations include: 1) \$1,392,876 decrease in General Revenue related to allocation of indirect costs and alignment of appropriations with appropriate rider allocations and rider deletions. 2) \$5,521,326 increase in projected Appropriated Receipts. 3) \$1,073,114 decrease in Interagency Contracts, primarily a result of expected contracts with TxDOT related to eminent domain cases expected to decline.
<b>Total, Goal A, PROVIDE LEGAL SERVICES</b>	<b>\$201,151,498</b>	<b>\$204,206,834</b>	<b>\$3,055,336</b>	<b>1.5%</b>	
CHILD SUPPORT ENFORCEMENT B.1.1	\$721,151,428	\$680,586,856	(\$40,564,572)	(5.6%)	Recommendations include: 1) \$11,118,458 net decrease in General Revenue resulting from allocation of indirect costs, a renegotiated State Disbursement vendor contract, lower Data Center Services costs, and decreases in non-T2 related software and hardware procurement and temporary workers. 2) \$25,021,085 decrease in Federal Funds due to corresponding reductions in General Revenue resulting in lower federal match calculations. 3) \$6,371 decrease in projected Appropriated Receipts. 4) \$4,418,658 decrease in projected Interagency Contract revenue from HHSC for OAG share of Medicaid reimbursement payments collected by HHSC from information provided by OAG.
STATE DISBURSEMENT UNIT B.1.2	\$27,281,321	\$27,625,306	\$343,985	1.3%	Recommendations include an increase of \$343,985 in Federal Funds for changes in budget authority due to federal match calculations.
<b>Total, Goal B, ENFORCE CHILD SUPPORT LAW</b>	<b>\$748,432,749</b>	<b>\$708,212,162</b>	<b>(\$40,220,587)</b>	<b>(5.4%)</b>	



Office of the Attorney General  
Funding Changes and Recommendations - Senate, by Strategy -- ALL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
CRIME VICTIMS' COMPENSATION C.1.1	\$116,415,745	\$131,043,656	\$14,627,911	12.6%	Recommendations include: 1) \$143,769 decrease in General Revenue due to reallocation of indirect costs. 2) \$14,771,680 net increase in Federal Funds due to increases in crime victims compensation claim payments and a decrease resulting in the completion of crime victim capital projects in 2017.
VICTIMS ASSISTANCE C.1.2	\$66,626,700	\$66,555,534	(\$71,166)	(0.1%)	Recommendations include a \$71,666 decrease in General Revenue -Dedicated and Federal Funds due to reductions in Victim Assistance Grant allocations.
<b>Total, Goal C, CRIME VICTIMS' SERVICES</b>	<b>\$183,042,445</b>	<b>\$197,599,190</b>	<b>\$14,556,745</b>	<b>8.0%</b>	
MEDICAID INVESTIGATION D.1.1	\$37,313,126	\$37,280,904	(\$32,222)	(0.1%)	Recommendations include: 1) \$98,855 decrease in General Revenue due to reallocation of indirect costs. 2) \$102,950 increase in projected Federal Fund receipts. 3) \$36,317 decrease in projected Appropriated Receipts due to lower projections of overtime contracts.
<b>Total, Goal D, REFER MEDICAID CRIMES</b>	<b>\$37,313,126</b>	<b>\$37,280,904</b>	<b>(\$32,222)</b>	<b>(0.1%)</b>	
ADMINISTRATIVE SUPPORT FOR SORM E.1.1	\$1,636,842	\$1,278,498	(\$358,344)	(21.9%)	Recommendations include a \$358,344 total decrease in General Revenue and Interagency Contracts due to reallocation of indirect costs.
<b>Total, Goal E, ADMINISTRATIVE SUPPORT FOR SORM</b>	<b>\$1,636,842</b>	<b>\$1,278,498</b>	<b>(\$358,344)</b>	<b>(21.9%)</b>	
<b>Grand Total, All Strategies</b>	<b>\$1,171,576,660</b>	<b>\$1,148,577,588</b>	<b>(\$22,999,072)</b>	<b>(2.0%)</b>	

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

**Appendix B**

<b>Program</b>	<b>Est 2016</b>	<b>Bud 2017</b>	<b>Rec 2018</b>	<b>Rec 2019</b>	<b>2016-17 Base</b>	<b>2018-19 Rec</b>	<b>2018-19 Rec % Total</b>	<b>Recommended Over/(Under) Base</b>	<b>% Change from Base</b>
Child Support Enforcement	\$167.3	\$208.2	\$172.2	\$179.1	\$375.5	\$351.3	80.9%	(\$24.2)	(6.5%)
Crime Victim Compensation	\$3.7	\$6.0	\$24.3	\$24.9	\$9.7	\$49.1	11.3%	\$39.4	405.6%
State Medicaid Fraud Control Units	\$12.9	\$13.0	\$13.0	\$13.0	\$25.9	\$26.0	6.0%	\$0.1	0.4%
Injury Prevention and Control Research	\$2.1	\$2.1	\$2.1	\$2.1	\$4.1	\$4.1	0.9%	\$0.0	0.0%
Grants to States for Access and Visitation Programs	\$0.8	\$0.7	\$0.7	\$0.7	\$1.5	\$1.4	0.3%	(\$0.1)	(4.8%)
Preventive Health and Health Services Block Grant	\$0.6	\$0.6	\$0.6	\$0.6	\$1.1	\$1.1	0.3%	\$0.0	1.0%
Internet Crimes Against Children	\$0.4	\$0.4	\$0.4	\$0.4	\$0.8	\$0.8	0.2%	(\$0.0)	(0.0%)
South West Border High Intensity Drug Trafficking Areas	\$0.2	\$0.2	\$0.2	\$0.2	\$0.3	\$0.3	0.1%	\$0.0	0.0%
All Other Grants	\$0.4	\$0.0	\$0.0	\$0.0	\$0.4	\$0.0	0.0%	(\$0.4)	(95.1%)
<b>TOTAL:</b>	<b>\$188.3</b>	<b>\$231.1</b>	<b>\$213.4</b>	<b>\$220.9</b>	<b>\$419.4</b>	<b>\$434.3</b>	<b>100.0%</b>	<b>\$14.8</b>	<b>3.5%</b>

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

<b>Full-Time-Equivalent Positions</b>	<b>Expended 2015</b>	<b>Estimated 2016</b>	<b>Budgeted 2017</b>	<b>Recommended 2018</b>	<b>Recommended 2019</b>
Cap	4,207.9	4,195.4	4,195.4	4,197.4	4,197.4
Actual/Budgeted	4,040.2	4,074.5	4,198.4	NA	NA

<b>Schedule of Exempt Positions (Cap)</b>					
Attorney General, Group 6	\$150,000	\$153,750	\$153,750	\$153,750	\$153,750

**Notes:**

a) Fiscal years 2015 and 2016 actual FTE figures are less than the FTE cap limits primarily due to staff vacancies and turnover. Fiscal year 2017 budget FTEs exceed the cap by 3.0 FTEs due to allowances for 100% Federally Funded FTEs within the Texas Start Smart child support program.

b) The 2016 State Auditor's Office Report does not provide information regarding exempt salaries for elected officials.

**Office of the Attorney General**  
**Summary of Ten Percent Biennial Base Reduction Options Recommendations - Senate**

**Appendix E**

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Intro Bill?
			GR & GR-D	All Funds	FTEs			
1)	Child Support Program	Return of \$23,211,885 in un-appropriated balances from the Child Support Retained Collections Account. In the 2016-2017 GAA, the Legislature appropriated the Child Support Division (CSD) General Revenue in place of Recovered Assistance due to the declining revenues. According to the agency, \$42.5 million of Recovered Assistance revenue is projected to be available in the Retained Collections Account in 2018-19.	\$23,211,885	\$23,211,885	0.0	\$0	3.8%	Yes
2)	Child Support Program	Return of \$19,294,568 in un-appropriated balances from the Child Support Retained Collections Account. In the 2016-2017 GAA, the Legislature appropriated the Child Support Division (CSD) General Revenue in place of Recovered Assistance due to the declining revenues. According to the agency, \$42.5 million of Recovered Assistance revenue is projected to be available in the Retained Collections Account in 2018-19.	\$19,294,568	\$19,294,568	0.0	\$0	3.1%	Yes
3)	Crime Victim Services Program	Reduction of General Revenue and GR-D Sexual Assault Program Account Fund 5010 for the Victims Assistance Program. General Revenue reduction of \$521,122 would effect Victims Assistance Coordinators and Victims Liaisons, Legal Services grants (Supreme Court), Other Victims Assistance Grants, and Statewide Victim Notification System proportionately. GR-D Sexual Assault Program Account Fund 5010 reduction of \$803,412 would effect the Sexual Assault Prevention and Crisis Services Program and the Sexual Assault Services Program proportionately.	\$1,324,534	\$1,324,534	0.0	\$0	2.1%	No
4)	Legal Services Program - Civil Litigation	Method of finance swap of \$175,000 in GR used to fund the Legal Services Program – Civil Litigation with Interagency Contract Revenue resulting from contracts with client agencies in the FY 2018-2019 biennium. This would affect the Energy Rates Section within the Civil Litigation Program.	\$350,000	\$350,000	0.0	\$0	0.2%	No

**Office of the Attorney General**  
**Summary of Ten Percent Biennial Base Reduction Options Recommendations - Senate**

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Intro Bill?
			GR & GR-D	All Funds	FTEs			
5)	Legal Services Program - Civil Litigation	Reduction of \$416,550 in General Revenue by reducing 4.0 FTEs within the Legal Services Program - Civil Litigation for positions that perform business and support agency core functions. The elimination of these positions may have an impact on internal agency operations which may lead to future impacts on the performance measure "Legal Hours Billed to Litigation and Legal Counsel."	\$416,550	\$416,550	4.0	\$0	0.2%	No
6)	Criminal Medicaid Fraud Investigation Program	Decrease of \$874,272 in GR and 25.0 FTEs, through attrition, within the Criminal Medicaid Fraud Investigation Program. The Medicaid Fraud Control Unit (MFCU) is required by federal law and is comprised of auditors, investigators, and attorneys to combat Medicaid fraud.	\$874,272	\$874,272	25.0	\$2,622,814	0.2%	No
7)	Legal Services Program - General Legal Counsel	Decrease of \$260,000 in GR and 2.0 FTEs within the Legal Services Program - General Legal Counsel that provide legal counsel. This reduction could lead to more outside legal service costs incurred on local jurisdictions.	\$260,000	\$260,000	2.0	\$0	0.2%	No
8)	Law Enforcement Program	Decrease of \$691,960 in GR and 4.0 Commissioned Peace Officers (CPO), through attrition, within the Law Enforcement Program that perform criminal enforcement activities in the Criminal Investigations Division.	\$691,960	\$691,960	4.0	\$0	0.2%	No
<b>TOTAL, 10% Reduction Options</b>			<b>\$46,423,769</b>	<b>\$46,423,769</b>	<b>35.0</b>	<b>\$2,622,814</b>		