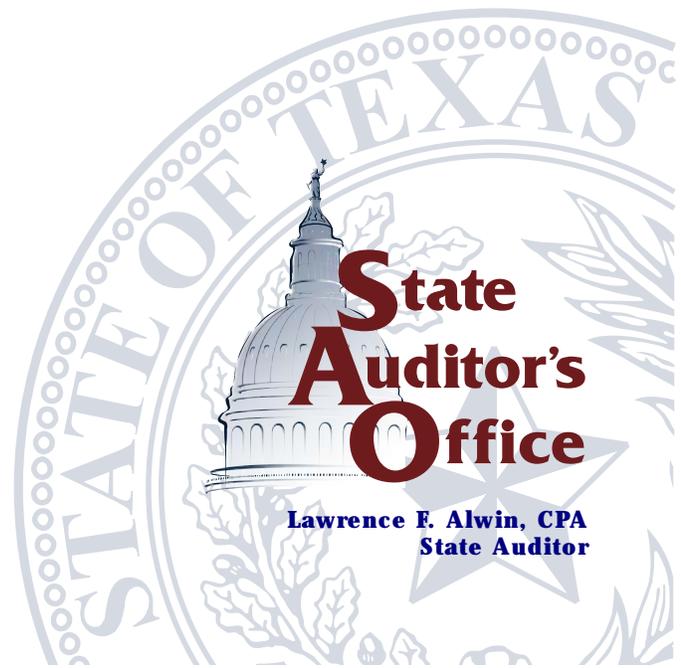


An Audit Report on

Funds Collected as Court Costs

May 2002

Report No. 02-049



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State Auditor

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Funds Collected as Court Costs

Overall Conclusion

Grantees, contractors, and award recipients that received court costs and fees from the Governor's Office, the Office of the Attorney General, and the Children's Trust Fund of Texas Council in fiscal year 2001 may not have always spent funds for the intended purposes. For example, some of the expenditures that grantees, contractors, and award recipients made were not supported by documentation, such as bills and receipts. Also, some grantees and contractors received funds not allowed by statute or for services not rendered. Finally, some agencies did not ensure that grantees, contractors, or the agency itself complied with statute or contract requirements.

The Department of Public Safety spent court costs and fees it received in fiscal year 2001 in accordance with the established purposes.

Additionally, we determined that six court costs and fees do not have a specific purpose directing expenditure of the funds. In fiscal year 2001, \$25 million was collected through revenue codes funded in part by court costs and fees and deposited into the General Revenue Fund.

In fiscal year 2001, using money from prior years and other sources of revenue, agencies spent \$360 million from 15 funds that receive revenue from court costs and fees. Of that amount, \$149 million went to grants awarded through a variety of programs identified in statute. Although the combined fund balance for these 15 funds consistently increased from fiscal year 1997 through fiscal year 2000, it decreased by \$30 million in fiscal year 2001. The combined available fund balance for these 15 funds was nearly \$360 million at the end of fiscal year 2001.

Key Facts and Findings

Grantees, contractors, and award recipients that received court costs and fees from the Governor's Office, the Office of the Attorney General, and the Children's Trust Fund of Texas Council in fiscal year 2001 may not have always spent funds for the intended purposes.

Court Cost Definition

The State Auditor's Office could not find a consistent definition in statute of a court cost. Most state entities agree that court costs include "court costs and fees." To define court costs, some agencies concentrate more on criminal court costs and fees while others have a more broad interpretation.

The State Auditor's Office definition, developed in consultation with the Office of Court Administration and the Comptroller of Public Accounts, includes:

- Court costs/fees (criminal) with at least a portion remitted to the State
- Court costs/fees (administrative and civil) with at least a portion remitted to the State, including Birth and Marriage/Informal Marriage Fees remitted by county clerks
- Parole, Probation, and Community Supervision Fees with at least a portion remitted to the State

The State Auditor's Office definition excludes:

- Fines or excess fines - Fines are the statutory punishments dictated by the judiciary. For example, if a person commits a misdemeanor that is punishable by fine, the fine that the judge dictates would not be included, but the fees associated with committing a misdemeanor would be included.
- Proceeds from forfeited goods
- Juror donations



In fiscal year 2001, the Governor's Office, the Office of the Attorney General, and the Children's Trust Fund of Texas Council expended \$191 million from funds for which a part of the revenue source was court costs and fees. We determined that these agencies used court costs and fees to fund programs that fulfilled established purposes. However, they either did not have processes for ensuring that the grantees, contractors, or award recipients spent the funds as intended, or they did not follow their internal processes. For the following reasons, we questioned as much as \$4.6 million in expenditures made by these three agencies' grantees, contractors, and award recipients:

- Some of the expenditures that grantees, contractors, and award recipients made were not supported by documentation, such as bills and receipts.
- Some grantees and contractors received funds not allowed by statute or for services not rendered.
- Some agencies did not ensure that grantees, contractors, or the agency itself complied with statute or contract requirements.

Some court costs and fees were spent for the purpose intended.

- The Department of Public Safety expended \$56 million in money it received from court costs and fees from three funds for the purposes identified in legislation. Because the purpose listed in legislation is broad, the Department used most of its court costs for salaries and benefits.
- The Office of the Attorney General spent approximately \$95,000 from the Family Trust Fund and approximately \$134,000 from the Sexual Assault Program Fund for the purposes intended.

Six court costs and fees do not have a specific purpose directing the expenditure of the funds.

In fiscal year 2001, \$25 million was collected through revenue codes associated with these court costs and fees and deposited into the General Revenue Fund. Additionally, the Failure to Appear Fee is dedicated to the Department of Public Safety and the Comptroller of Public Accounts. However, the money is not appropriated to the Department of Public Safety.

Summary of Management's Response

Management of the Governor's Office and the Department of Protective and Regulatory Services generally concurs with the issues and recommendations contained in this report. Management of the Office of the Attorney General generally disagrees with the issues and recommendations contained in this report.

Summary of Audit Objectives, Scope, and Methodology

The objectives of this audit were identified in Senate Bill 1377, 77th Legislature, which is codified in Texas Government Code, Section 321.017. The bill states that the state auditor may review each fund and account into which money collected as a court cost is directed by law to be deposited to determine whether:

- The money is being used for the purpose or purposes for which the money is collected.
- The amount of the court cost is appropriate, considering the purpose or purposes for which the cost is collected.

For fiscal year 2001, the State Auditor's Office audited four agencies that administered eight funds and two fees. We analyzed 10 additional funds. We also identified fees, based on our definition, and mapped the flow of the court costs and fees after they were remitted to the Comptroller of Public Accounts. The funds were audited based on applicable statutes and legislation. We conducted a five-year trend analysis on the funds that had expenditures.

The audit methodology consisted of developing a definition of court costs, using a risk assessment to select funds to audit, collecting information and performing selected audit tests to determine if funds were spent in accordance with their purposes, and analyzing and evaluating the results against established criteria. We used statistical analysis to project testing results. We also created a profile for each fund, including those not selected for audit work.

Contents

Audit Results

Chapter 1	
Summary of Issues	1
Chapter 2	
Analysis of Fees and Funds	3
Chapter 3	
Status of Funds Receiving Court Costs	7
Office of the Attorney General	
Compensation to Victims of Crime Fund (469)	7
Sexual Assault Program Fund (5010)	27
Family Trust Fund.....	29
Children’s Trust Fund of Texas Council	
Child Abuse and Neglect Prevention Trust Fund (987) and the Operating Fund (541).....	31
Governor’s Office	
Criminal Justice Planning Fund (421)	36
Crime Stoppers Assistance Fund (5012)	40
Department of Public Safety	
Fugitive Apprehension Fund (5028)	42
Breath Alcohol Testing Fund (5013).....	44
Operators and Chauffeurs License Fund (99).....	46
Texas Rehabilitation Commission	
Comprehensive Rehabilitation Fund (107)	48
Court of Criminal Appeals	
Judicial and Court Personnel Training Fund (540)	50

Office of the Comptroller, Office of Court Administration, and Presiding Judges	
Judicial Fund (573)	52
 Prairie View A&M University	
Juvenile Crime and Delinquency Fund (5029)	54
 Commission on Law Enforcement Officer Standards and Education	
Law Enforcement Officer Standards and Education Fund (116)	56
 Sam Houston State University	
Bill Blackwood Law Enforcement Management Institute Fund (581).....	58
 Abused Children’s Counseling Fund (No Administering Agency)	60
 New Court Costs and Fees	
State Highway Fund (6) - Department of Public Safety	61
Fair Defense Fund (5073) - Task Force on Indigent Defense	61
Correctional Management Institute and Criminal Justice Center Fund (5083) - Sam Houston State University.....	61
 Chapter 4	
Table of Court Costs and Fees	63
State Court Costs and Fees	66
Local Court Costs and Fees	69

Appendices

Appendix 1	
Objectives, Scope, and Methodology	73
 Appendix 2	
Court Cost Statute	77

Audit Results

Summary of Issues

The following is a summary of the issues identified for the audited funds. Grantees, contractors, and award recipients that received court costs and fees from the Governor's Office, the Office of the Attorney General, and the Children's Trust Fund of Texas Council in fiscal year 2001 may not have always spent funds for the intended purposes. The agencies used the court costs and fees to fund programs that fulfilled the established purposes. However, the agencies either did not have processes for ensuring that the recipients spent the funds as intended or they did not follow their internal processes. We identified the following three main issues.

- Some of the expenditures that grantees, contractors, and award recipients made were not supported by documentation. Therefore, we could not determine how the funds were spent. For example:
 - The Governor's Office had inadequate support for expenditures in six percent (4 of 72) of expenditure transactions tested in the Criminal Justice Planning Fund. If extrapolated to the total population of approximately \$31 million in grants and contracts, the projected amount of questioned expenditures could be \$1.4 million.
 - The Governor's Office did not have adequate support for expenditures in sixteen percent (7 of 45) of expenditure transactions tested in the Crime Stoppers Assistance Fund. If extrapolated to the total population of approximately \$912,250, the projected amount of questioned expenditures could be \$24,000.
 - The Children's Trust Fund of Texas Council did not require grantees to submit bills or other documentation with their requests for funds. It also did not monitor its contracts and grants. The Children's Trust Fund of Texas Council issued \$1.7 million in grants, contracts, and letters of agreement.
 - At the Office of the Attorney General, 17 percent of the 76 Compensation to Victims of Crime case files tested contained one or more errors. Eleven of these case files did not contain support for claims of lost wages and/or relocation expenses; the other errors were overpayments and a payment to an ineligible victim. The 76 tested case files came from a population of 5,196 case files that had payments and their last benefit determination date in fiscal year 2001. When the 17 percent error rate is projected to the population of 5,196, there could be as many as 889 case files with errors worth approximately \$1.4 million.¹

¹ Because the tested population consists of case files with payments and a benefit determination date in fiscal year 2001, it may contain proportionally more short-term payments than the population of all case files with payments in fiscal year 2001, regardless of benefit date. This is because the population of all payments made in fiscal year 2001 would also contain case files that had a benefit status determination before fiscal year 2001. The error rate and projected questioned cost noted here could be different from those associated with the population of case files with all payments in fiscal year 2001.

- Contractors and grantees received funds not allowed by statute or for services not rendered. For example:
 - The Office of the Attorney General provided approximately \$46,000 to grantees for the purpose of purchasing equipment through the Sexual Assault program. The Texas Administrative Code does not allow the purchase of equipment with these funds.
 - The Children’s Trust Fund of Texas Council paid one grantee more than \$14,000 from the Child Abuse and Neglect Prevention Operating Fund; however, the grantee did not implement any programs. The contract with this grantee was terminated one month before the end of the contract term.
- Some agencies did not ensure that grantees, contractors, or the agency itself complied with statute or contract requirements. For example:
 - The Children’s Trust Fund of Texas Council did not ensure that 13 grantees provided the mandatory local fund match or disclosed the source of funds used for the match as required by the Texas Human Resources Code. Therefore, there was no assurance that the grantees spent the appropriate amount of local funds to support the programs.
 - The Office of the Attorney General did not obtain information from a contractor awarded \$250,000 annually from the Compensation to Victims of Crime Fund to show the sources of funding for salaries as required by the Texas Administrative Code. Therefore, the Office does not know if the contractor was receiving multiple funding for the same portion of the salary that the Office paid.
 - A grantee of the Office of the Attorney General violated Federal Cash Management Requirements and contract requirements by requesting and receiving reimbursement for unpaid program costs as identified by the Office’s Internal Audit Department. This grantee received more than \$58,000 in fiscal year 2001 and has been awarded an additional grant of \$99,015 for fiscal year 2002.

We also determined that the Department of Public Safety spent funds from the Fugitive Apprehension Fund, Operators and Chauffeurs License Fund, and the Breath Alcohol Testing Fund for the intended purpose. The Office of the Attorney General spent funds from the Family Trust Fund and the Sexual Assault Program Fund for the purpose collected.

Analysis of Fees and Funds

The following is an analysis of the court costs and fees collected and expended during fiscal year 2001.

Court Costs and Fees With No Purpose Directing Expenditures

Six court costs and fees do not have a specific purpose directing the expenditure of the funds. The following table identifies court costs and fees that are collected and deposited into the General Revenue Fund. Approximately \$25 million was collected through revenue codes from five of the six court costs and fees in fiscal year 2001. Other sources of revenue are collected through these same revenue codes, in addition to the court cost or fee listed. It is not possible to track how the money from these court costs and fees was spent because the revenues collected through these court costs and fees cannot be tied to expenditures.

The Failure to Appear Fee, the last fee shown in the table, is dedicated to the Department of Public Safety. Court costs and fees totaling \$2.2 million were collected in fiscal year 2001 and deposited for the Department's use. However, the Department of Public Safety was not given appropriation authority for these funds. Therefore, the funds were collected but not used. At the end of the fiscal year, the funds were deposited into the State's General Revenue Fund.

Additionally, the Abused Children's Counseling Fund is not dedicated to any particular agency and has no particular purpose. This fund received \$3,499 in revenue in fiscal year 2001. The fund is part of the consolidated court cost and receives .02 percent of court costs assessed to individuals who are convicted of criminal activities.

Chart of Fees			
Court Cost / Fee	Reason for Collecting Fee	Use of Funds and Purpose of Expenditure	Fiscal Year 2001 Revenues per Comptroller Cash Report
Arrest Fee	Fee is collected for services provided by peace officers.	Fee was not allocated for any designated purpose or to a specific agency.	\$ 2,356,189
Time Payment Fee	Fee is collected if a convicted person needs to pay a portion of assessed court costs, fees, fines, or restitution more than 31 days from the day the judgement is entered.	Fee was not allocated for any designated purpose or to a specific agency.	\$ 8,438,163

Chart of Fees			
Court Cost / Fee	Reason for Collecting Fee	Use of Funds and Purpose of Expenditure	Fiscal Year 2001 Revenues per Comptroller Cash Report
Substance Abuse Felony Program Fee	Fee is collected if a judge decides that a convicted person needs to attend a substance abuse program.	Fee was not allocated for any designated purpose or to a specific agency.	No funds collected
Birth Certificate Fee	Fee is collected for the issuance of birth certificates.	Fee was collected to support the Work and Families Policy Clearinghouse. The fund in which the fee was deposited was abolished, but the fee was not abolished. The Work and Families Policy Clearinghouse is managed by the Texas Workforce Commission.	\$ 2,239,966*
Juvenile Probation Diversion Fee	Fee is collected after hearing from a parent, guardian, or child in a disposition hearing.	The Juvenile Probation Commission collected the fee to support the diversion of juveniles. The fund in which the fee was deposited was abolished, but the fee was not abolished.	\$ 12,264,662*
Abused Children's Counseling Fee	Fee was originally dedicated to the Central Education Agency. That agency was abolished and the fee was not dedicated to another agency.	Cannot be traced. No purpose exists.	\$ 3,499*
Failure to Appear Fee (Dedicated to the Department of Public Safety and Comptroller of Public Accounts)	Fee is collected from people who fail to appear for a complaint or citation. The fee is allocated in thirds to the local entity, the Comptroller of Public Accounts, and the Department of Public Safety.	The fees are deposited throughout the fiscal year into a fund dedicated to the Department of Public Safety. The Department was not appropriated money from this fund by the 75th, 76th, or 77th Legislatures. The funds were collected but not used in fiscal year 2001. At the end of the fiscal year, the funds were deposited into the General Revenue Fund. Revenue allocated to the Comptroller of Public Accounts is deposited to the General Revenue Fund and expenditures of funds cannot be traced.	\$ 2,189,586*

* This amount contains court costs and fees in addition to other revenue. Amount shown is reported in the Comptroller's Cash Report and is captured by revenue code.

Overall Fund Analysis

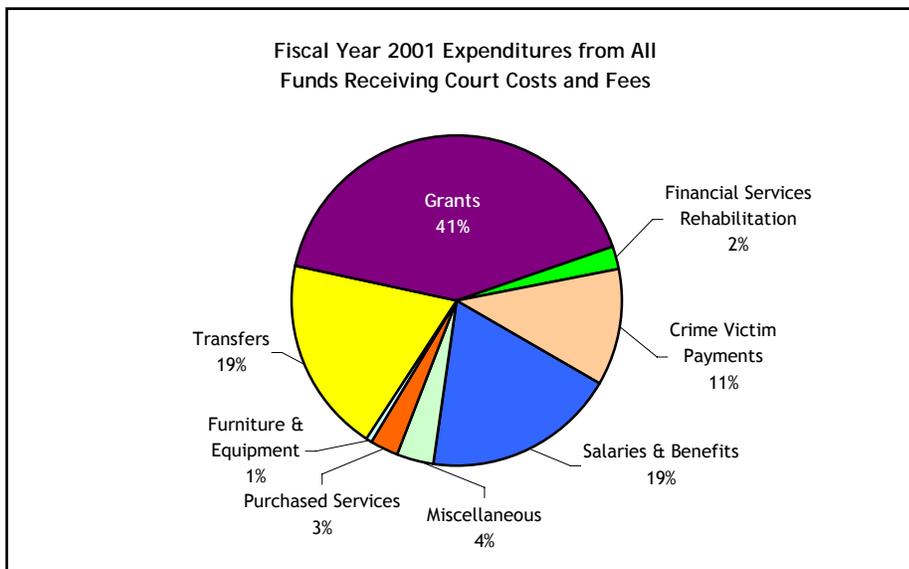
The following analysis of state funds that receive revenue from court costs and fees gives an overview of how the State is using these funds to implement its programs.

Fiscal Year 2001 Expenditures

In fiscal year 2001, agencies expended \$360 million from funds for which a source of revenue was court costs and fees. Various agencies expended approximately 41.3 percent of these funds (\$149 million) for grants for a variety of programs identified in statute.

Seventy-nine percent of the money provided for grants came from the Criminal Justice Planning Fund. Nineteen percent of the funds (\$69 million) were considered transfers between agencies or out of the funds. Approximately 60 percent of these transfers were for a single agency's statutorily defined use.

Additionally, 19 percent of the funds were used to pay salaries and benefits associated with administering programs funded by court costs and fees. Eleven percent of all expenditures were payments to victims of crime.



Note: Expenditures include court costs in addition to other revenue.

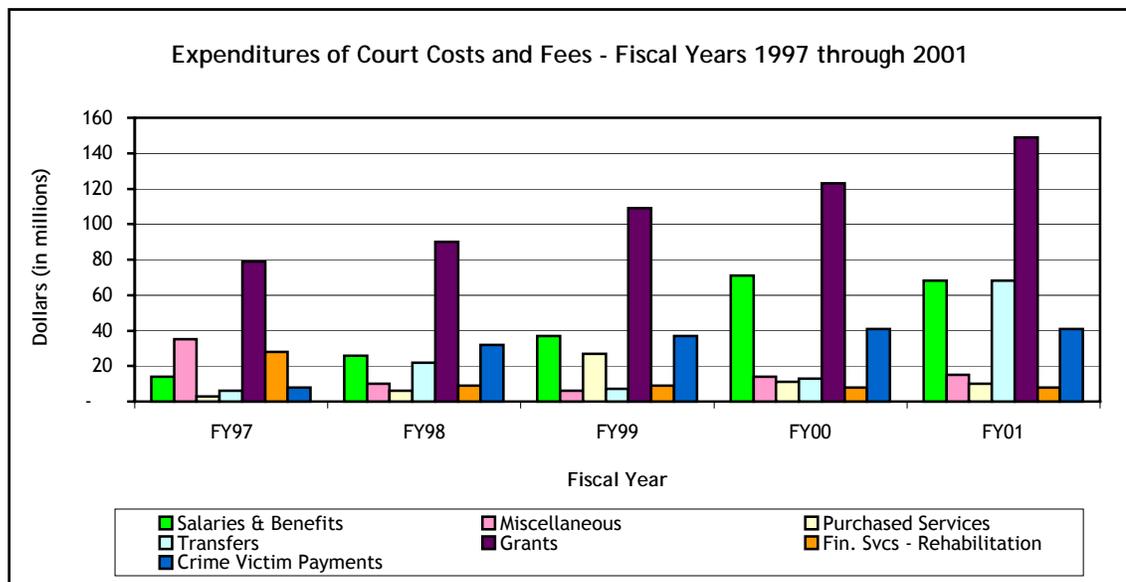
Five-Year Trend Analysis

The combined fund balance for all funds for which the source of revenue was court costs and fees consistently increased from fiscal year 1997 through fiscal year 2000. In fiscal year 2001, however, there was a \$30 million decrease in the combined fund balance. This decrease occurred because total expenditures increased by \$80 million from the previous fiscal year. The beginning fund balance in fiscal year 2001 was nearly \$390 million; of that amount, \$320 million was appropriated to specific agencies.

Fiscal Year	Beginning Fund Balance	Revenues From Court Costs	Federal Funds	Other	Total Funds Available	Total Expenditures	Ending Fund Balance	Appropriated Revenues
1997	\$ 179,557,343	\$ 146,480,128	\$ 48,211,520	\$ 6,109,764	\$ 380,358,755	\$ 142,542,458	\$ 237,816,297	\$ 189,921,499
1998	\$ 237,816,297	\$ 163,851,138	\$ 67,975,693	\$ 19,428,884	\$ 489,072,012	\$ 195,191,586	\$ 293,880,426	\$ 201,770,063
1999	\$ 293,880,426	\$ 188,088,078	\$ 81,903,941	\$ 12,852,923	\$ 576,725,367	\$ 231,123,868	\$ 345,601,499	\$ 243,387,345
2000	\$ 345,601,499	\$ 199,139,299	\$ 118,624,379	\$ 7,702,387	\$ 671,067,564	\$ 280,590,801	\$ 390,476,763	\$ 288,483,935
2001	\$ 390,476,763	\$ 207,664,991	\$ 112,543,822	\$ 8,662,065	\$ 719,347,641	\$ 359,518,858	\$ 359,828,783	\$ 320,053,268

Source: These expenditures are from the Uniform Statewide Accounting System as of the end of fiscal year 2001. Correcting entries have been removed to ensure that revenues and expenditures are not overstated.

The chart below shows that there was an 88 percent increase (nearly \$70 million) in the amount of money spent to fund grants between fiscal year 1997 and fiscal year 2001. Amounts paid for salaries and benefits increased 387 percent (\$54 million), and payments to crime victims increased 339 percent (\$33 million) during that same time. Payments for crime victims remained the same in fiscal years 2000 and 2001.



Status of Funds Receiving Court Costs

Office of the Attorney General

COMPENSATION TO VICTIMS OF CRIME (FUND 469)

Audit Results

For fiscal year 2001, we cannot provide assurance that the Office of the Attorney General (Office) always spent court costs and fees from the Compensation to Victims of Crime Fund (Fund) for the intended purpose. The primary purpose of the Fund is to provide direct payments to victims. Seventeen percent of all case files tested contained errors. When the error rate is statistically extrapolated to the population of cases that were benefited and paid in fiscal year 2001, the number of files that could have errors becomes approximately 889 (with an 8.4 percent margin of error). The errors could be worth approximately \$1.4 million² (with an 0.08 percent margin of error).

Additionally, the Office uses the Fund to administer grants and contracts related to victims' services through the victims services strategy. Those grants include the Sexual Assault, Court Appointed Special Advocates, Children's Advocacy Centers, Texas Association Against Sexual Assault, and Coordinator and Liaison grants. All contracts from the sexual assault program were tested and 30 percent (21 of 70) contained errors. For example, the Office did not ensure that grantees, who provide programs for survivors of sexual assault, complied with their contracts, federal requirements, or the Texas Administrative Code. It also did not ensure that all applications for grants were complete.

Furthermore, the Office's policies and procedures do not always align with the Texas Administrative Code and the Texas Code of Criminal Procedure. In addition, the Office does not consistently apply its policies and procedures.

Direct Payments to Benefited and Paid Victims in 2001

We tested 76 case files from a population of 5,196 files that had the last benefit determination date in fiscal year 2001 and received payments in fiscal year 2001. For direct payments, 17 percent of the 76 tested case files contained errors. Specific errors included overpayments, payment of funds to an ineligible victim, and documentation insufficient to ensure that funds were spent for the authorized purposes of the Fund.

² Because the tested population consists of case files with payments and a benefit determination date in fiscal year 2001, it may contain proportionally more short-term payments than the population of all case files with payments in fiscal year 2001, regardless of benefit date. This is because the population of all payments made in fiscal year 2001 would also contain case files that had a benefit status determination before fiscal year 2001. The error rate and projected questioned cost noted here could be different from those associated with the population of case files with all payments in fiscal year 2001.

We also tested 121 expenditures associated with the 76 cases totaling \$243,224. Total expenditures for the population were approximately \$22 million. We found that 2 of the 121 (1.65 percent) expenditures were overpaid.

Specific instances of the errors in case file testing follow.

Although one case was not eligible to receive crime victims compensation, the Office awarded the claimant \$12,086. In this case, the claimant failed to cooperate with law enforcement. The Texas Code of Criminal Procedure, Article 56.45 states that the Office may deny a claimant if the victim substantially fails to cooperate with law enforcement.

Approximately 14 percent (11 of 76) of the tested cases did not have documentation that properly supported the award. Therefore, we could not determine how funds were spent. These 11 case files did not have appropriate documentation for expenditures worth approximately \$8,400. Specific types of documentation errors included a missing funeral invoice, missing support for lost wages, improper support for travel reimbursements, and missing documentation for relocation expenses. Some case files contained multiple errors related to improper documentation. Specific examples included the following:

- Four case files were missing support for claims of lost wages. The Office’s policy states that no disability statement or medical records are necessary if lost wages are being claimed for a period of less than two weeks. This policy does not comply with Texas Administrative Code, Section 61.36, which states that an award for pecuniary loss cannot be made if the claimant does not provide bills, records, or other evidence of pecuniary loss. To establish this particular type of loss, the claimant must substantiate that the loss occurred, and that the loss was due to one of the three reasons listed in the Code of Criminal Procedure (see text box).

Definition of Pecuniary Loss

The Texas Code of Criminal Procedure, Section 56.32, defines pecuniary loss for loss of earnings as the actual loss of past earnings and anticipated loss of future earnings and necessary travel expenses because of:

- A disability resulting from personal injury
- The receipt of medically indicated services related to disability resulting from personal injury
- Participation in or attendance at investigative, prosecutorial, or judicial processes

The Texas Administrative Code, Section 61.7, specifies the type of records that may be used to substantiate that the loss is due to a disability. This section defines the period for which lost wages can be claimed as the length of time a victim is not able to work as determined by a physician or licensed mental health professional. The Office cannot ensure it is complying with the Texas Administrative Code and the Texas Code of Criminal Procedure if required documentation is not obtained.

- Five case files were missing support for relocation claims. Relocation is provided to victims of domestic violence. The Office’s policies and procedures require victims to submit receipts whenever possible. This practice results in

incomplete documentation of relocation expenses. Texas Administrative Code, Section 61.36, states that an award for pecuniary loss cannot be made if the claimant does not provide bills, records, or other evidence of pecuniary loss. In fiscal year 2002, the Office developed a standard letter to request additional documentation from claimants; however, it is unclear whether the use of this letter has resulted in the Office obtaining sufficient support for relocation claims.

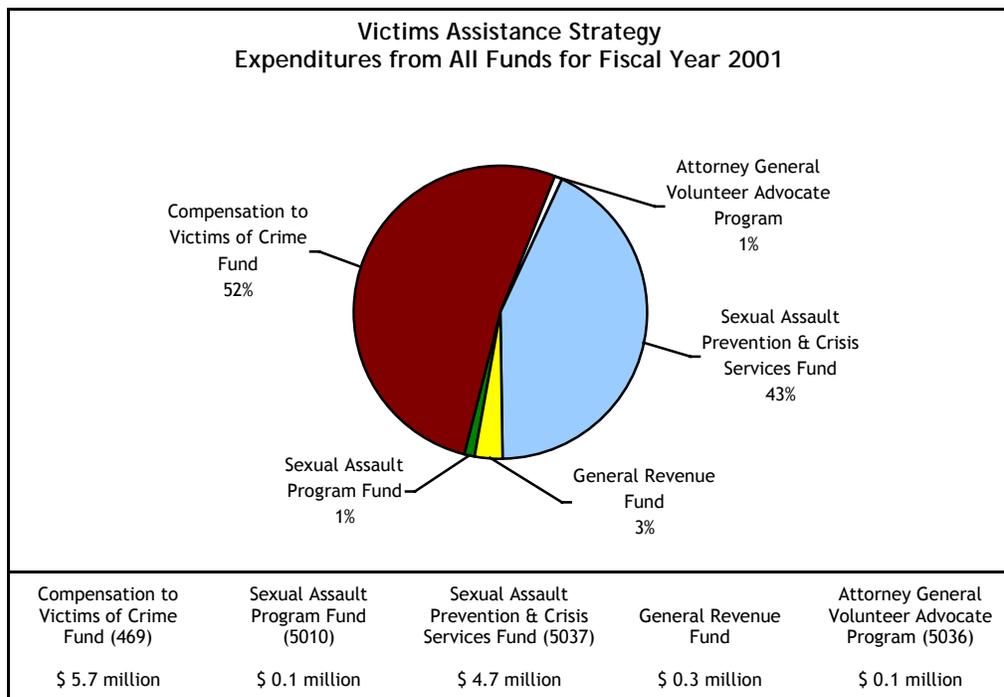
Additionally, 38 files out of 3,804 that were denied in fiscal year 2001 were tested to determine whether the claims were properly denied and whether the reason for denial was supported. Two out of 38 (5.26 percent) examined case files contained three errors. Specifically, one file was denied because the Office did not obtain a police report. After the victim provided a police report to the Office, the claim was not reconsidered. The Office has since corrected this oversight. Another file did not contain evidence of supervisory review of the denial. When the error rate is statistically extrapolated to the entire population of denied files, the estimated number of errors could be 637 or less. For all cases that are denied, the Office has an appeals process available to claimants that desire reconsideration of the decision.

The Office does not have policies for certain situations, or the policies are unclear, or the policies are inconsistently applied. The following are specific examples of conditions for which improvements should be made:

- The Office does not have policies and procedures that address how to allocate loss-of-support funds among multiple claimants. Loss-of-support funds are provided to claimants of injured or deceased victims who can no longer provide for the claimants. For one case reviewed, a deceased victim had four dependents living in several households. All of them filed claims for loss of support.
- The Office also does not have policies that explain how to reduce an award. Cases can receive benefits at 100 percent or the Office can reduce benefits to 75 or 50 percent for cause. Office policies do not address whether a reduction is to be applied to each bill, to the individual award category, to the total of all awards, or to all three. For example, in one case file we reviewed, the claimant was awarded 50 percent of benefits. The claimant submitted a funeral bill and received \$2,934 (50 percent of the total bill). However, the maximum allowed for funeral expenses is \$4,500. Therefore, the claimant received 65 percent of the allowable award.
- Reimbursement for funeral and burial expenses is not being awarded consistently. The policies and procedures of the Office state that the removal and transportation of a body from place of death to place of burial is included in funeral and burial expenses. Another section of the policies states that shipping a body from crime location to funeral site is not included in the maximum limit for funeral and burial expenses. Three cases reviewed treated body removal and shipping differently. In two cases the removal was included in the maximum amount allowed, but in the third case it was excluded and paid in addition to the maximum amount.

Victims Assistance Strategy

In addition to the direct payment of compensation to victims of crime, the Office administers several grant programs out of the Compensation to Victims of Crime Fund. Those grants include the Sexual Assault, Court Appointed Special Advocates, Children’s Advocacy Centers, Texas Association Against Sexual Assault, and Coordinator and Liaison grants. The Victims Assistance Strategy expended approximately \$11 million to conduct its program.



The primary sources of funding for the Sexual Assault Program are the Compensation to Victims of Crime Fund (Fund 469) and the Sexual Assault Prevention & Crisis Services Fund (Fund 5037). Fund 5037 does not receive court costs and fees. The Sexual Assault Program provides funding to locally based and supported nonprofit programs for survivors of sexual assault. The Office contracted for \$4.4 million on sexual assault contracts.

We tested all 70 contracts and noted the following specific errors:

- The Office’s internal audit department determined that one grantee violated Federal Cash Management Requirements and contract requirements by requesting and receiving reimbursement for unpaid program costs. This grantee also did not use timesheets, indicating actual time worked by employees, to request salary reimbursement. For the past three years, single audit reports issued by independent auditors also included this federal cash management issue. After internal audit identified this issue, the grantee continued to receive state funds from the Office for the remainder of the fiscal year. This grantee spent

\$58,694 in sexual assault funds during fiscal year 2001. Furthermore, this grantee received almost \$900,000 from five state agencies during fiscal year 2001.

Although the grantee did not apply for fiscal year 2002 Sexual Assault Program funds, the grantee was approved to receive \$99,015 from the Crime Victims' Compensation Fund for fiscal year 2002. This money was awarded through the Discretionary Grant program. The Office included extra restrictions in the grantee's award letter. The restrictions explained how the grantee may spend funds. Those restrictions were not strong enough to ensure that the grantee would spend fund moneys in accordance with contract requirements and Uniform Grant Management Standards.

- The Office also was not in compliance with the Texas Administrative Code. The Office allowed grantees to purchase equipment although Texas Administrative Code, Section 62.5, states "No equipment may be purchased with these funds." Furthermore, the budget that accompanied contracts included a section for equipment purchases. The Office approved approximately \$46,000 in equipment purchases in fiscal year 2001.
- Additionally, 6 percent (4 of 70) of grants were missing parts of their applications. Missing parts included background sections, required attachments, and portions of program descriptions.

For one \$250,000 annual grant, the Office did not have documentation as required by Texas Administrative Code, Section 63.81 (see text box). The code requires grantees to disclose other sources of income for a salary if the Office is funding less than 100 percent of the salary. Without disclosure of salary income sources there is no assurance that a grantee is not receiving multiple funding for the Office's portion of a salary. Also, the Office did not obtain required time and attendance records through either grantee submissions or on-site monitoring. Without time and attendance records, there is no assurance that the grantee is spending the amount of time on the program for which it is being reimbursed.

Texas Administrative Code, Section 63.81

(c) A grantee shall document all Victims Assistance Grants (VAG) funded positions with time and attendance records. These records must include the number of hours worked each day on the project, the signature of the employee, and the signature of the supervisor. For law enforcement and prosecution grants, these time records must also indicate the specific hours worked and the case or cause numbers or other indicators of assignments for audit and monitoring purposes.

(d) The OAG will not fund positions for less than 25 percent of full-time. If the salary of a position is paid partially from VAG funds, the grantee must disclose the sources of the remainder of the salary.

No substantive errors were noted for the other grants audited.

Recommendations

The Office should obtain proper documentation for all case files to ensure compliance with the Texas Code of Criminal Procedure and the Texas Administrative Code. The Office should modify its policies and procedures to:

- Ensure case files benefited at a reduced level are treated consistently and are reduced at all appropriate levels (bill, category, and total award).
- Address allocation of awards to multiple claimants for a single victim.
- Ensure supporting documentation is obtained for all awards, grants, and contracts.
- Ensure consistent application of award limitations on funeral and burial expenses.

The State Auditor's Office provided several suggestions to the Victim's Assistance Discretionary Grant program before the award letter to the grantee that violated federal cash management standards was distributed. These suggestions were for additional restrictions to ensure that the grantee spends the money in accordance with Uniform Grant Management requirements and the contract requirements. We suggested that the grantee should provide timesheets, bank statements, or canceled checks before the Office reimburses the grantee.

The Office should ensure that it is enforcing the Texas Administrative Code and it should not allow Sexual Assault Program grantees to purchase equipment. The Office should also ensure that it collects and retains all appropriate supporting documentation.

Management's Response

Compensation to Victims of Crime - Fund 469

The Office of the Attorney General (OAG) strongly disagrees with the lack of assurance provided by the State Auditor's Office (SAO). This portion of the audit report, which focuses on documentation the SAO would require of victims, fails to consider the impact of its recommendations on the emotions, health, and safety of the victims. These individuals, who have experienced trauma and suffering, are the clients whom the Legislature intended to benefit from the Compensation to Victims of Crime Fund (Fund 469).

The OAG firmly and unequivocally asserts that the internal controls over payments to victims of crime provide reasonable assurance that the OAG has spent court costs and fees from Fund 469 for its intended purpose.

State Auditor's Follow-Up Comment

The State Auditor's Office performs audits according to Government Auditing Standards issued by the Comptroller General of the United States. Audits must meet

the standards of evidence promulgated by the Government Auditing Standards before any assurance can be provided. Given the number and variety of errors noted in the Direct Payments to Benefited and Paid Victims in 2001 and the Victims Assistance Strategy, the State Auditor's Office cannot provide the Legislature assurance that money from the Compensation to Victims of Crime Fund was always spent for the purpose intended. Although some individual errors noted may not amount to a large percentage of the money spent from a particular program, the total amount of estimated costs that are not supported or permitted under regulations governing the associated programs is larger than the appropriations for some state agencies.

None of the recommendations of the State Auditor's Office would unduly affect the emotions, health, or safety of victims. The State Auditor's Office is merely evaluating the Office based on regulations governing documentation in effect during fiscal year 2001. Additionally, the Texas Administrative Code, Title 1, Rule 61.36 states:

“The chief may not make an award for pecuniary loss if the claimant has not provided bills, records or other evidence of a pecuniary loss within 90 days of the date that the attorney general notifies the claimant of the decision to award”

The State Auditor's Office notes that the Office of the Attorney General failed to comply with its own regulations concerning required documentation during this time period. Formation of administrative rules that consider victims' needs and internal controls in accordance with statute are properly the responsibility of the Office. Once promulgated, however, they should be followed.

Management's Response

Direct Payment to Benefited and Paid Victims in 2001

The OAG stresses the absence of any basis for the SAO's assertions that the OAG has not fully complied with the Crime Victims' Compensation Act (Act), set forth in Chapter 56, Subchapter B, of the Texas Code of Criminal Procedure. As the OAG demonstrates in this response, the SAO's conclusion is not based on competent, sufficient, and relevant audit evidence.

State Auditor's Follow-Up Comment

As stated above, the State Auditor's Office audits in accordance with Government Auditing Standards. This report does not assert that the Office did not comply with the Texas Code of Criminal Procedure. It states that the evidence gathered during the audit cannot support a conclusion that the funds were always spent for the intended purpose. Nor can it support that the Office's policies and procedures conform to the requirements of the Texas Code of Criminal Procedure and the Texas Administrative Code.

Government Auditing Standards state:

“Evidence is *sufficient* if there is enough of it to support the auditor’s findings. In determining the sufficiency of evidence it may be helpful to ask such questions as: Is there enough evidence to persuade a reasonable person of the validity of the finding? When appropriate, statistical methods may be used to establish sufficiency. Evidence used to support a finding is *relevant* if it has a logical, sensible relationship to the finding. Evidence is *competent* to the extent that it is consistent with fact (that is, evidence is competent if it is valid).”

The State Auditor’s Office examined case files, grants, contracts, and financial documents as the basis for its conclusions. We used the Texas Code of Criminal Procedure, the Texas Administrative Code, and the Office’s written policies and procedures as criteria in evaluating that information. We also calculated statistical projections in accordance with auditing industry standards.

Management’s Response

Test Results for Benefited Cases

The test results incorporate projections to a sample population that does not represent the caseload of the Crime Victims’ Compensation Division (CVC) as a whole. The SAO imposed artificial constraints on its sample population, creating a systematic error that favored capturing certain types of payments.

Rather than defining a sample population of claims paid in FY2001, the SAO sample population included all cases both paid and benefited in FY2001. Since any case benefited early in the year had ample time for payment in the same year, these cases were more likely to be included in the sample population.

However, cases benefited later in the year were included only if the claim was processed quickly, allowing payment prior to year end. The SAO thereby biased its sample population toward claims characterized by a short turnaround time and against claims with longer processing periods.

The OAG found statistically significant differences between the profile of payments in the SAO sample population and in the FY2001 CVC caseload as a whole. For example, relocation expenses occurred more than twice as often (215%) in the SAO sample population than in the CVC caseload. Funeral expenses occurred nearly twice as often (192%) in the SAO sample population than in the CVC caseload. Because the sample population was selected subject to specific constraints and does not represent the CVC caseload as a whole, the SAO cannot base its lack of assurance on its projection of errors and questioned expenditures.

State Auditor’s Follow-Up Comment

The State Auditor’s Office acknowledges in this report (see footnote on page 1) that the two populations are different and the error rate and projected questioned costs noted could be different from those associated with the population of all case files with payments in fiscal year 2001.

The State Auditor's Office statistical expert worked with the audit team to design a methodology that would provide a reasonable estimate of the questioned costs for a defined population and period. Statistical tests and extrapolations were conducted in accordance with audit industry standards.

Given the number and nature of errors found, the State Auditor's Office cannot provide assurance that funds were always spent as intended.

Management's Response

Test Results for Denied Cases:

The SAO's projection to the sample population would be more meaningful if the reader was provided with a range that included both the upper error limit and corresponding lower error limit. Furthermore, the OAG's appeals process ensures that denied claims are afforded further review upon the request of the victim or claimant.

The OAG has a fully implemented appeals process available to any victim or claimant whose claim is denied. Upon a claim's denial, the OAG sends the victim or claimant a denial letter which explains the availability of the appeals process. This process includes reconsideration of the claim's denial by a designated appeals officer. If the reconsideration results in a determination that the claim was properly denied, the OAG notifies the victim or claimant of its determination and of their further remedy to request a hearing conducted by a designated hearings examiner. The appeals process provides reasonable assurance that denial of claims is appropriate and supported by adequate documentation.

State Auditor's Follow-Up Comment

The State Auditor's Office conducted the test of denied case files in accordance with the guidelines promulgated by the American Institute of Certified Public Accountants. In a compliance test, it is customary to provide only an upper error limit. When testing 38 sample items at a 90 percent confidence level, there should be no more than one error. Our test of 38 randomly selected denied files found three errors. This indicates that controls are not working as intended.

Management's Response

\$12,086 Award: Substantial Failure to Cooperate with Law Enforcement

The SAO has misapplied the pertinent provision of the Act and erroneously cited this case as an exception.

In its original draft report, the SAO misstated the applicable provision of the Crime Victims' Compensation Act (Act) and incorrectly determined the victim was ineligible to receive benefits. Upon receiving information provided by the OAG, the SAO has corrected its statement of the law without removing this claim as an exception. In this regard, although acknowledging that Article 56.45(1) grants the OAG authority

to exercise discretion in determining whether the circumstances justify a reduction or denial of an award, the SAO continues to maintain that this award was in error.

The OAG can only assume that the SAO continues to rely upon a factor which it has repeatedly offered as justification for this exception. Specifically, the current CVC Eligibility Section Manager advised SAO of his belief that CVC should have denied eligibility for this claim; SAO has stressed that they obtained the manager's statement in writing. However, the SAO's reliance on this statement demonstrates their absence of understanding and misapplication of applicable law. At the time of this eligibility determination in Fiscal Year 2000, CVC's Eligibility Section, as well as the CVC Division as a whole, was under different management. The current manager's statement in no way denies the validity of a decision made pursuant to the statutory discretion of prior CVC management.

State Auditor's Follow-Up Comment

The Office's contention that eligibility determinations can vary from manager to manager without corresponding changes in statute or regulation implies that rules are inconsistently applied. During testing of denied case files, we noted that at least three cases in our sample were denied for lack of cooperation with law enforcement and that at least seven other cases were denied because no crime could be substantiated.

The State Auditor's Office used the Code of Criminal Procedure, the Texas Administrative Code, the Office's policies and procedures (current and previous year), and the case file to make the determination that this case was awarded in error. Additionally, the eligibility manager of the Office stated as follows:

"This claim should have been denied. Per offense report, the victim failed to cooperate with the investigation of the case and due to his unwillingness to cooperate, a crime could not be substantiated (emphasis added)."

The case file supports the eligibility manager's conclusion. The police report shows that the victim did not cooperate with law enforcement. The officer stated that "compl [complainant] refused to make a statement and struggled with personnel attempting to assist him." The Office's policies and procedures state:

"In order for a victim to be eligible for an award, a victim must substantially cooperate with the reasonable request of the law enforcement agency investigating the crime, including but not limited to the prosecution of the crime."

Additionally, the Office's policies and procedures state:

"When a victim is unable to give details of the crime, determine whether a crime has occurred by preponderance of the evidence. This should be based on objective evidence provided by law enforcement or another impartial source."

The police report shows that a crime was not substantiated: “Off [officer] later determined that the compl [complainant] had no evidence of being shot.”

The police report also did not identify suspects and noted that there was no evidence submitted.

Management’s Response

Missing support for claims of lost wages:

The SAO has misapplied Texas Administrative Code Section 61.36 and misinterpreted the Texas Code of Criminal Procedure. The OAG has promulgated a new administrative rule incorporating its policy regarding compensation for lost wages for a period not exceeding two weeks (fourteen days).

*Texas Administrative Code Section 61.36, which requires evidence corroborating the **amount** of pecuniary loss, such as employer verification of the claimant’s wage rate and absence from work. The OAG’s policies and procedures are in full compliance with the requirements of this section.*

*Under the Texas Code of Criminal Procedure, the OAG must award compensation for actual loss of past earnings and anticipated loss of future earnings if the OAG is satisfied **by a preponderance of the evidence** that the loss was caused by (i) a disability resulting from the personal injury; or (ii) the receipt of medically indicated services related to the disability [see Texas Code of Criminal Procedure, Articles 56.32(a)(9)(B)(i), (ii); 56.34(a)].*

In claims for compensation of lost wages for a period not exceeding two weeks, CVC’s policies and procedures permit award payment upon a determination that the victim or claimant sustained injuries as a result of the crime. This determination is based on the caseworker’s review of the application for compensation, file correspondence, and the police report. If the relationship between the injuries and a loss of earnings is questionable, or if the absence from work is based on psychological reasons, the caseworker must refer the claim to CVC’s medical examiners for further review and a determination concerning the necessity for the individual’s absence from work. Through this process, the OAG is satisfied that the victim or claimant has met the burden of proof necessary to allow payment of this award.

In the interests of customer service for crime victims, as well as efficiency in claims processing, the OAG adheres to its policies and procedures, which it has incorporated in a proposed revision of 1 Texas Administrative Code Section 61.7. This proposal was submitted to the Office of the Secretary of State for publication in the Texas Register on May 24, 2002.

State Auditor’s Follow-Up Comment

Although the Office is currently proposing changes to the Texas Administrative Code, it did not comply with the rules in effect during fiscal year 2001. The Office indicated that it adopted the policy of not requiring certain types of documentation in

the interest of efficiency. However, because of this policy, we identified the following errors:

- The Office awarded one victim \$1,000 for lost wages. This case file’s notes clearly state: “Lastly, we discussed lw [lost wages]. It seems she missed work from 11-30-00 to 1-2-01. Asked her if she was unable to work due to a disability and she indicated she was not disabled she was just unable to work due to her move.” However, the case file indicates a payment of lost wages for November 25, 2000, to December 9, 2000, which overlaps the period discussed above. According to the Texas Code of Criminal Procedure, Section 56.32, victims are eligible for loss of wages only if the loss is the result of disability; receipt of medical services; or attendance at investigative, prosecutorial, or judicial processes (see text box page 8).
- The notes in another case file indicated that the suspect damaged the apartment door. The case worker called the victim assistance coordinator and told her: “I will try to get vic [victim] wages and she can use for repairs . . .” This type of property loss is not included in the definition of pecuniary loss defined in Texas Code of Criminal Procedure, Section 56.32. Furthermore, the Office of the Attorney General did not obtain proof that the victim actually missed work. Thus, the amount of loss of earnings was never established.
- For two other cases, the Office of the Attorney General did not obtain either evidence of the reason for the loss of wages or evidence that the victim actually lost wages.

Since a victim may incur many losses, not all of which meet the definition of pecuniary loss in Texas Code of Criminal Procedure 56.32 (see text box on page 8), the victim must establish both the amount of the loss and that it is an *eligible* loss. The Office of the Attorney General’s own regulations listed in Title 1 of the Texas Administrative Code, Section 61.36 demonstrate the need for this establishment (see page 13 for an excerpt of the code).

Management’s Response

Relocation claims:

The OAG will not implement the portion of the SAO’s recommendation that would preclude advance payments for relocation expenditures. This recommendation ignores the legislative intent to provide victims of family violence with compensation for relocation costs.

Implicit in the Legislature’s enactment is recognition of the victims’ inability to access the funds necessary to remove themselves and/or their children from abusive circumstances. In order to provide these victims with the means otherwise unavailable to them, the OAG advances payment for estimated expenses.

State Auditor's Follow-Up Comment

The recommendations of the State Auditor's Office do not preclude the Office from advance payments for relocation expenditures. The Office may provide immediate assistance to victims through the emergency award process allowed under The Texas Code of Criminal Procedure, Section 56.50, which states:

- “(a) The attorney general may make an emergency award if, before acting on an application for compensation under this subchapter, it appears likely that:
- (1) a final award will be made; and
 - (2) the claimant or victim will suffer undue hardship if immediate economic relief is not obtained.
- (b) An emergency award may not exceed \$1,500.
- (c) The amount of an emergency award shall be:
- (1) deducted from the final award; or
 - (2) repaid by and recoverable from the claimant or victim to the extent the emergency award exceeds the final award.”

As noted previously, Title 1 of the Texas Administrative Code, Section 61.36, requires documentation for the pecuniary loss award (see page 13 for excerpt of code). Additionally, it should be noted that for the relocation expenses paid in these cases, the Office of the Attorney General never obtained the receipts for relocation after the award was made.

Management's Response

The OAG has taken action which satisfies a portion of the SAO's recommendation through the implementation of policies and procedures designed to enhance the control mechanisms applicable to relocation payments.

The OAG acknowledges that additional policies and procedures will mitigate the risk of payments in the absence of supporting documentation. The OAG has therefore implemented written policies and procedures designed to maximize the likelihood of subsequently obtaining documentation in support of advance payments. The OAG has incorporated these policies and procedures in the promulgation of a new administrative rule, 1 Texas Administrative Code Section 61.46, which has been submitted to the Office of the Secretary of State for publication in the Texas Register on May 24, 2002. While the OAG cannot absolutely ensure all victims and claimants receiving advance payments will subsequently provide the required documentation, the OAG strongly asserts its actions should satisfy SAO's concerns and are consistent with the legislative intent.

Improvements in policies and procedures:

The OAG has implemented policies and procedures, incorporated into CVC's administrative rules, that comply with the following recommendations offered by the SAO:

- *Ensure case files benefited at a reduced level are treated consistently and are reduced at all appropriate levels (bill, category, and total award).*
- *Address allocation of awards to multiple claimants for a single victim.*
- *Ensure consistent application of award limitations on funeral and burial expenses.*

The new administrative rules, which have been submitted to the Secretary of State for publication on May 24, 2002, are promulgated as 1 Texas Administrative Code Sections 61.10(b) (equal allocation of loss of support awards to multiple dependents of victim), 61.10(d) (transportation of deceased victim is allowable funeral and burial expense excluded from \$4,500 limitation), and 61.44 (reduction of award is applicable to each bill, each individual award amount, and aggregate award amount).

Management's Response

Sexual Assault Grant and Contract Program

The SAO's conclusion is neither supported nor warranted by the actual error rate for funds at risk. By emphasizing the percentage of files with errors, while ignoring the actual dollars identified as erroneous expenditures, the SAO's reported results constitute a material misrepresentation of the fund's fiscal management.

State Auditor's Follow-Up Comment

While the dollars associated with errors must be considered, it is also important to note the number and type of errors when drawing conclusions, especially when discussing compliance. Materiality should be judged based upon surrounding circumstances and can involve both quantitative and qualitative considerations. The Office deviated from regulations governing allowability of expenditures in 24 percent of the Sexual Assault grants. Furthermore, the Office identified one grantee that requested reimbursement for expenses it had never paid its creditors and the Office never followed-up to ensure that the money was spent as intended. Finally, the Office was missing sections of applications, which serve as the contract for that grant program. Given the number and nature of these errors, the State Auditor's Office cannot provide assurance that funds were always spent as intended.

Management's Response

Award of FY2002 Victims' Assistance Discretionary Grant (VADG) program funds:

The OAG disagrees with the SAO's implication that this award was inappropriate and with its conclusion that the grantee's award letter restrictions were insufficient to ensure funds would be expended in accordance with contract requirements and Uniform Grant Management Standards.

In the course of implementing its FY2001 audit plan, the OAG's Internal Audit Division identified and immediately reported an issue regarding a grantee's failure to strictly comply with federal cash management requirements. OAG management promptly addressed the issue, thereby demonstrating that the OAG's monitoring controls operated effectively and as intended.

The OAG's decision to continue this grantee's FY2001 funding under the Sexual Assault Prevention and Crisis Services Program (SAPCS) followed an appeals process encompassing evaluation of many pertinent factors. These factors included the objective of ensuring that the needs of sexual assault victims in the community served by the grantee would be met without interruption, as well as an assessment of alternative service provider grantees. The OAG also considered that none of the three independent audits cited by the SAO questioned the propriety of any obligations incurred by the grantee and reimbursed by the OAG.

Following expiration of the FY2001 SAPCS funding, the OAG awarded the grantee a FY2002 VADG grant. On the basis of interim recommendations from the SAO, the OAG included restrictions in the grantee's award letter. These restrictions required the grantee's submission of receipts or other proof of payment with monthly reimbursement requests. In drafting this language, the OAG determined the most effective means of ensuring the grantee's compliance was by a broad, rather than item-specific, restriction in the award letter.

State Auditor's Follow-Up Comment

The State Auditor's Office is not questioning whether the grantee should have received a new grant or should have been continued under the old grant. Uniform Grant Management Standards, promulgated by the Governor's Office, recognize that high-risk grantees may be funded. We merely conclude that there is no assurance that funds were spent as intended because:

- The grantee had the same finding over multiple years, which indicates an unwillingness to comply with program requirements.
- Although the Office identified the problem and continued funding the grantee after the appeals process, it did not follow up to ensure that the grantee actually paid the expenses for which it had already been reimbursed.
- The Office did not require additional documentation for reimbursement requests made between the identification of the issue and the end of the contract period to ensure that funds were spent as listed on the request for funds.
- Before the new grant was awarded, the Office did not conduct a follow-up audit to ensure that the grantee was now expending funds before requesting reimbursement.

Management's Response

All contracts were tested and 30 percent (21 of 70) contained errors:

This simplistic statement represents a misleading and gross over-statement of actual errors in the 70 program contracts.

The actual maximum error rate, based on the items identified by the SAO, amounted to 1.15% of program funds awarded in FY2001. This error rate is not only acceptable, but provides assurance that contractors have spent funds for the intended purpose.

The SAO's methodology is based on a wholesale count of contract file documents and does not consider the actual amount of funds identified as erroneous disbursements. In 17 of the 21 contracts cited by the SAO, the error arose from awards for the purchase of equipment totaling 1.05% of program funds. In the remaining four contracts, the dollar amount attached to all missing documents was .09% of program funds. The details of the OAG's computations follow.

State Auditor's Follow-Up Comment

As stated above, materiality is not defined purely as a quantitative measure, specifically in dollars. The State Auditor's Office considers the impact of all errors on the Fund as a whole, not merely in proportion to their individual programs. Therefore, we presented all of the errors that led us to our conclusion. The errors noted cannot be considered immaterial because:

- Twenty-four percent of the contracts did not comply with the Office of the Attorney General's regulations governing the program regarding the allowability of expenditures.
- The four errors related to missing documentation affect the Office's ability to award, monitor, and enforce the contracts in a meaningful way. The impact of this should be quantified beyond the dollars associated with attachments. Furthermore, the errors noted also represent non-compliance with the Texas Administrative Code, Sections 62.5 (Criteria for Applications) and 62.7 (Application Review Criteria).

Management's Response

Equipment purchase:

The administrative rule, 1 Texas Administrative Code Section 62.5, no longer reflects agency policy and has been revised.

The OAG has promulgated an amendment to Section 62.5, which includes a revision removing the prohibition against the purchase of equipment with these funds. The OAG has submitted the proposed amendment to the Office of the Secretary of State for publication in the Texas Register on May 24, 2002. In addition, the total amount erroneously awarded for equipment was \$46,327, or 1.05% of the program funds

awarded in FY2001, significantly less than the 24.3% (17 of 70 contracts) error rate reported by the SAO.

State Auditor's Follow-Up Comment

Although the Office is currently proposing changes to the Texas Administrative Code, it did not comply with the rules in effect during fiscal year 2001. The significance of these errors cannot be quantified merely by the percentage of dollars affected. Given the number of instances of non-compliance with the Texas Administrative Code in this program, as well as other programs at the Office of the Attorney General, this represents that processes designed to ensure compliance with regulations may not be working as intended.

Management's Response

Missing parts of applications:

The SAO's reported audit results are significantly distorted by its implication that these immaterial omissions placed program funds at risk. In two of the four contract files, the contractor's response to the Request for Proposals (RFPs) omitted a required attachment for out-sourced accounting, auditing, or counseling services. The total amount awarded to both contracts for these out-sourced services amounted to \$4,165 or .09% of the all program funds awarded in FY2001. This amount in no way approximates the 2.86% risk (2 of 70 files) employed by SAO in arriving at its conclusion. Of the remaining two contract files, one was missing background information and the other lacked a portion of the program description. None of the missing items was material to the amount or to the contract award.

State Auditor's Follow-Up Comment

Because the application, along with the grant award letter, serves as the Office's contract with the grantee, missing pages of the application cannot be deemed immaterial, especially when the missing pages include the program description. Without a program description, the Office will be unable to monitor the grant or enforce the contract. Furthermore, the program description and background information are required submissions under the Texas Administrative Code, Section 62.5 and are required to be evaluated as part of the review of the applications under Section 62.7.

The fact that the application requires the attachments indicates that the Office considers the information important. Additionally, the award process is based on the application; thus, missing documents affect the award process. Since these attachments are part of the contract, the agency will also be unable to monitor or enforce this portion of the contract.

Management's Response

\$250,000 Annual Grant to the Texas Association Against Sexual Assault (TAASA):

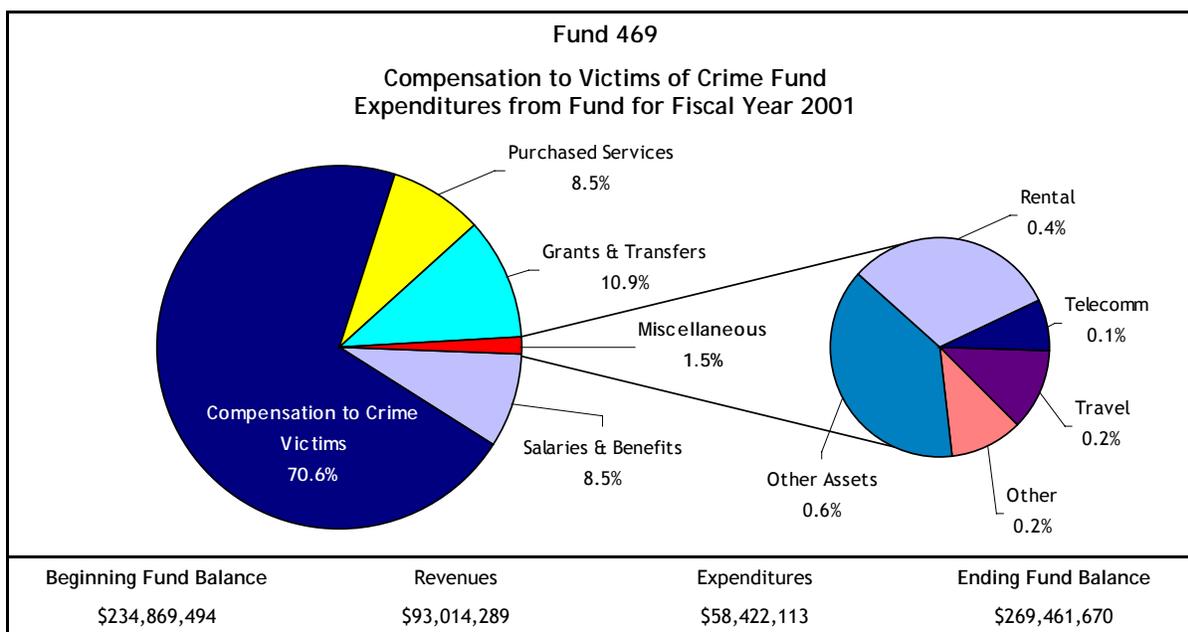
The OAG has transferred administration of this grant to the Sexual Assault Prevention and Crisis Services Program (SAPCS), which also administers the TAASA Public Awareness Grant and TAASA's contract with SAPCS. In connection with this transfer, the OAG will implement the following actions:

- *SAPCS will require a disclosure of salary income sources in the Request for Application (RFA) applicable to the annual grant.*
- *SAPCS, in its administration of TAASA's other grants and contracts, has provided TAASA with a recommended time sheet that complies with OMB Circular A-122 and UGMS requirements. SAPCS will incorporate the recommended time sheet in its administration of the annual grant.*
- *In its FY2002 risk assessment, SAPCS identified TAASA for program and financial site- visits. SAPCS will monitor the annual grant as part of its site-visit scheduled for Summer 2002.*

Purpose, Source, and Spending Authority of the Fund

The Compensation to Victims of Crime Fund (Fund) is a constitutionally dedicated fund. It was established to deliver services to and assist victims of crimes as defined by law. The revenue deposited in this fund comes from court costs assessed to individuals who are convicted of criminal activities. Local entities are allowed to keep 10 percent of the money collected if they remit the court costs on time to the Comptroller of Public Accounts.

The Attorney General may use money appropriated from the Fund to pay for grants or contracts supporting victim-related services or assistance. This includes support for private Texas nonprofit corporations that provide victim-related civil legal services directly to victims, immediate family members of victims, or claimants. The Legislature may re-appropriate funds to other agencies that provide services to victims of crime.



Fiscal Year 2001 Expenditures

For fiscal year 2001, total expenditures were \$58.4 million. Over 70 percent of the funds were spent compensating victims and claimants of crime (see pie chart). Expenditures reflect the spending of three agencies: the Office of the Attorney General, the Department of Human Services, and the Department of Criminal Justice. The three agencies and the Employees Retirement system were appropriated \$59.9 million from the Fund. There was \$600,000 left unspent for fiscal year 2001. The difference in funds not accounted for is because fiscal year expenditures include funds spent from multiple appropriation years.

Five-Year Trend Analysis

The balance of this fund has grown steadily over the past five years because of rising court cost revenue and because less than 25 percent of available funds were spent each year. Although state-collected court costs represent a major portion of the Fund, the Fund also receives a great deal of federal funds. For the last two fiscal years, the fund balance has increased by approximately \$30 million each year.

Fiscal Year	Beginning Fund Balance	Revenues from Court Costs	Federal Funds	Other	Total Funds Available	Total Expenditures	Ending Fund Balance
1997	\$ 93,515,938	\$ 61,515,662	\$ 4,481,000	\$ 1,503,415	\$ 161,016,015	\$ 32,362,875	\$ 128,653,140
1998	\$ 128,653,140	\$ 62,359,190	\$ 15,669,909	\$ 10,167,765	\$ 216,850,004	\$ 48,967,092	\$ 167,882,912
1999	\$ 167,882,912	\$ 69,755,909	\$ 8,515,000	\$ 2,454,236	\$ 248,608,057	\$ 43,257,035	\$ 205,351,022
2000	\$ 205,351,022	\$ 72,466,695	\$ 9,919,470	\$ 3,061,551	\$ 290,798,738	\$ 55,929,244	\$ 234,869,494
2001	\$ 234,869,494	\$ 75,367,803	\$ 14,041,022	\$ 3,605,464	\$ 327,883,783	\$ 58,422,113	\$ 269,461,670

These expenditures are from the Uniform Statewide Accounting System as of the end of fiscal year 2001. Correcting entries have been removed to ensure that revenues and expenditures are not overstated.

The State Auditor's Office is currently conducting a financial-related audit at the Office of the Attorney General, the results of which may relate to work performed in this audit. A report on the financial-related audit is scheduled for release in Summer 2002.

Office of the Attorney General

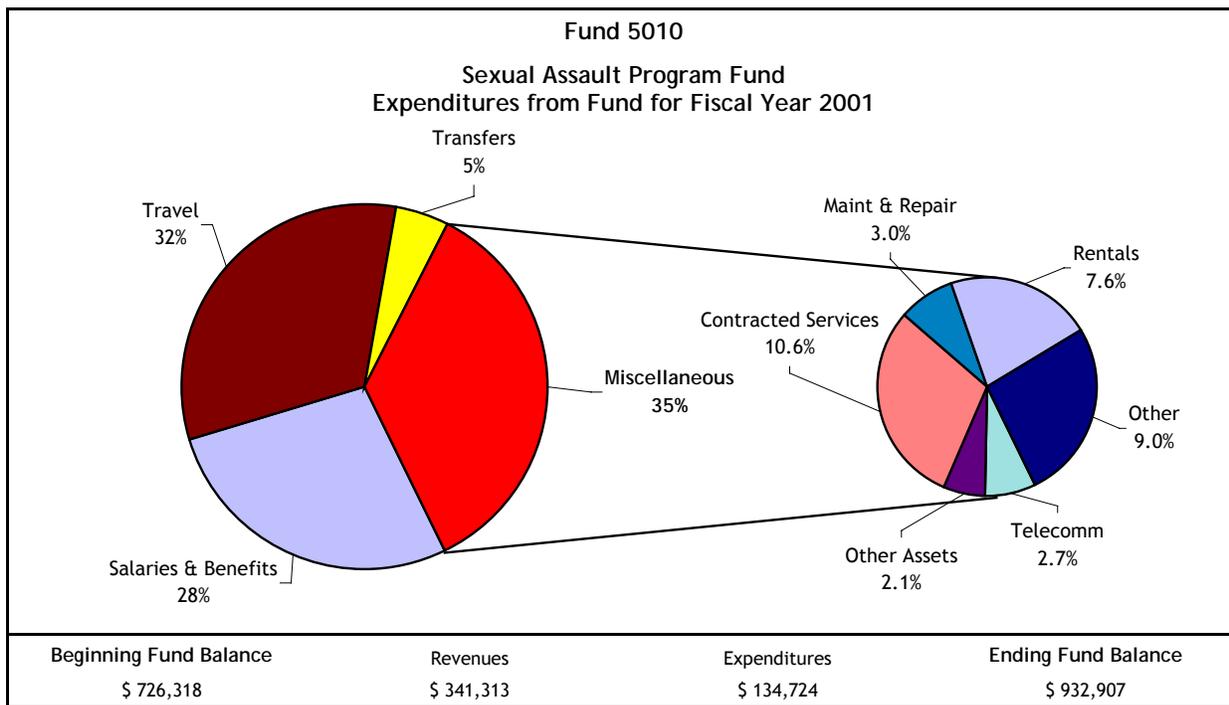
SEXUAL ASSAULT PROGRAM FUND (5010)

Audit Results

For fiscal year 2001, the Office of the Attorney General (Office) spent all court costs and fees from the Sexual Assault Program Fund (Fund) for the intended purpose. The Office of the Attorney General (General) used the funds to pay only a small portion of the administrative expenses of the Sexual Assault Program.

Purpose, Source, and Spending Authority of the Fund

The Sexual Assault Program Fund was designed to promote the development of locally based and supported nonprofit programs for the survivors of sexual assault throughout the state. The Fund's revenue comes from a \$5 per month fee assessed to individuals who are on parole or under mandatory supervision. The Government Code specifies that the Fund is to be used to finance a grant program defined in the Sexual Assault Prevention and Crisis Services Act. For a discussion of the grant program, see page 10.



Fiscal Year 2001 Expenditures

The Office was appropriated \$186,000 from Fund 5010. The Office spent 72 percent of the appropriated funds. The funds from this account (5010) were used to pay only a portion of the administrative expenditures of the Office’s Sexual Assault Program. Most of the fiscal year 2001 expenditures paid from Fund 5010 were miscellaneous expenses and travel expenses (see pie chart). These two categories totaled 67 percent of all fund expenditures. Salaries and benefits accounted for 28 percent of fund expenditures.

Five-Year Trend Analysis

From fiscal year 1997 to 2001, the balance for this fund increased (see table below). The Fund’s major source of revenue is collected court costs. The fund balance is growing because expenditures are less than collected revenue. Expenditures represent less than 20 percent of available funds.

Fiscal Year	Beginning Fund Balance	Court Costs	Federal Funds	Other	Total Funds Available	Total Expenditures	Ending Fund Balance
1997	\$ 38,797	\$ 79,805	\$ –	\$ 15,293	\$ 133,895	\$ 15,300	\$ 118,595
1998	\$ 118,595	\$ 185,578	\$ –	\$ –	\$ 304,173	\$ 58,445	\$ 245,728
1999	\$ 245,728	\$ 350,734	\$ –	\$ –	\$ 596,462	\$ 56,445	\$ 540,017
2000	\$ 540,017	\$ 300,850	\$ –	\$ –	\$ 840,867	\$ 114,549	\$ 726,318
2001	\$ 726,318	\$ 341,313	\$ –	\$ –	\$ 1,067,631	\$ 134,724	\$ 932,907

These expenditures are from the Uniform Statewide Accounting System as of the end of fiscal year 2001. Correcting entries have been removed to ensure that revenues and expenditures are not overstated.

The State Auditor’s Office is currently conducting a financial-related audit at the Office of the Attorney General, the results of which may relate to work performed in this audit. A report on the financial-related audit is scheduled for release in Summer 2002.

Office of the Attorney General

FAMILY TRUST FUND

Audit Results

Testing of fiscal year 2001 expenditures showed that the Office of the Attorney General (Office) spent money from the Family Trust Fund (Fund) for the purposes for which it was collected. The Office used the funds to reproduce and distribute the marriage and family handbook, which was one of five defined purposes (listed below) for these funds. The Office is funding grant programs for institutions of higher education and programs intended to reduce the amount of delinquent child support in fiscal year 2002.

Purpose, Source, and Spending Authority of the Fund

House Bill 2442, 76th Legislature, established the Family Trust Fund effective September 1, 1999. The Fund's purposes include:

- The development and distribution of a premarital education handbook.
- Grants to institutions of higher education having academic departments that are capable of research on marriage and divorce that will assist in determining programs, courses, and policies to help strengthen families and assist children whose parents are divorcing.
- Support for counties to create or administer free or low-cost premarital education courses.
- Programs intended to reduce the amount of delinquent child support.
- Other programs the attorney general determines will assist families.

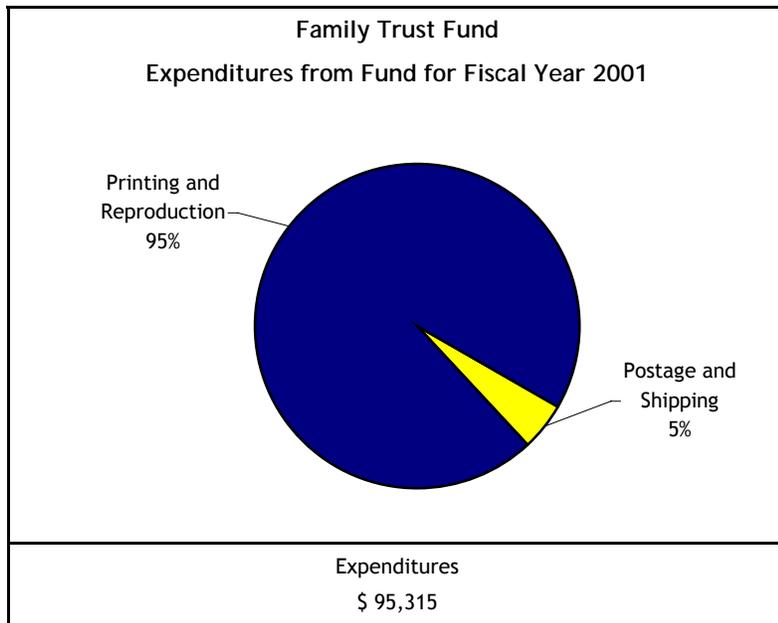
Revenue comes from \$3 of each fee assessed to individuals who receive a marriage license. In fiscal year 2001, total revenue was \$559,377. House Bill 3084, 76th Legislature, abolished the fund but not the purpose. Consequently, revenue from the fee is deposited into the General Revenue Fund. The General Appropriations Act, 76th Legislature, contained the following rider:

“Contingent upon the enactment of HB 2442, or similar legislation relating to the funding of a premarital education handbook, by the Seventy-sixth Legislature, Regular Session, the Office of the Attorney General is hereby appropriated \$287,850 for fiscal year 2000 and \$291,975 for fiscal year 2001 out of revenues generated pursuant to HB 2442 for the purpose of implementing that Act. The Office of the Attorney General is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed above.”

Fiscal Year 2001 Expenditures

The Office was appropriated \$291,975. Most of the expenditures in fiscal year 2001 were for the printing cost of the handbook (see pie chart). The Office spent approximately \$95,000 to print and distribute the handbook. This was 33 percent of the appropriated amount. The amount appropriated in fiscal year 2001 was based on the fiscal note for HB 2442, which only estimated the cost of printing and distributing a premarital education handbook. Actual costs were less than those estimated in the fiscal note because printing costs were lower than expected. The Office began

awarding grants in fiscal year 2002.



Trend information is not available. The State Auditor's Office is currently conducting a financial-related audit at the Office of the Attorney General, the results of which may relate to work performed in this audit. A report on the financial-related audit is scheduled for release in Summer 2002.

Children's Trust Fund of Texas Council

CHILD ABUSE AND NEGLECT PREVENTION TRUST FUND (987) AND THE OPERATING FUND (541)

Audit Results

For fiscal year 2001, we cannot provide assurance that the grantees and contractors of the Children's Trust Fund of Texas Council (Agency) spent all money from the Child Abuse and Neglect Prevention

Trust Fund and the Operating Fund for intended purposes. The Agency did not require grantees and contractors to submit bills or other documentation that would support their requests for funds in addition to the monthly expenditure report. The agency also did not monitor its contracts and grants. Consequently, we cannot determine how funds were being spent.

Responsibility for the Fund

Effective September 1, 2001, the Agency was abolished, and the Department of Protective and Regulatory Services assumed responsibility of the Child Abuse and Neglect Prevention Trust Fund.

In addition to not requiring additional support for the monthly expenditure report (for example, bills) and not performing monitoring, the Agency also had contract management issues. These issues increase the risk that fund money may not be spent for intended purposes. For 79 percent (53 of 67) of contracts and grants, contractors or grantees did not comply with all of the contractual or statutory requirements. During fiscal year 2001, the Agency issued 45 grants, 6 service contracts, and 16 letters of agreement totaling \$1.7 million. The money for these grants, contracts, and agreements comes from the Child Abuse and Neglect Prevention Trust Fund. Grantees use the funds for programs that prevent child abuse and neglect.

Tests of all Agency grants, contracts, and agreements identified the following issues:

- One grantee received over \$14,000 and did not implement any abuse or neglect prevention programs. The Agency terminated the contract one month before the end of the contract term.
- The Agency did not always ensure that grant recipients met their mandatory financial match. One grantee did not meet the mandatory 10 percent match for first-year grants. Also, the Agency did not require 12 grantees (27 percent) to meet the mandatory 20 percent match for second-year grants when additional funds were provided to grantees. Because the Agency did not require grantees to disclose the source of their matching funds, we cannot determine whether grantees used state funds. The Human Resources Code, Chapter 74.010, states that grantees are not allowed to use state funds to satisfy matching requirements.
- The Agency did not hold grantees accountable for the completion of evaluations required by their contracts. None of the grantees' files contained the results of a self-evaluation or external evaluation.

- The Agency did not ensure that grantees and contractors reported their activity as required in contracts. Sixty percent (31 of 51) of grantees and service contractors did not file their quarterly reports or they filed them late. Three grantees failed to explain the variances between the targeted number of participants and the actual number of participants served. One grantee failed to submit narratives for quarterly activities.
- For 15 percent of grants, contracts, and letters of agreement (10 of 67), the Agency could not provide documentation to show that the Governor's Office was notified 30 days prior to the contract being enacted as required by Rider 5 of the General Appropriations Act, 76th Legislature.
- Ninety-four percent (48 of 51) of grant and service contract files did not contain evidence that the Children's Trust Fund Council approved fund awards, which is required by the Human Resources Code, Section 74.003.
- For one grantee, only one letter of endorsement was found. For another grantee, no letters of endorsement were found. Contracts require that each grantee submit two letters of endorsement.

Recommendation

The Department of Protective and Regulatory Services indicated that it has monitored contractors for fiscal year 2002. It should continue to ensure that program grantees receive monitoring visits. Additionally, it should ensure that grantees comply with requirements in the contract, in the Human Resources Code, and in the Texas Administrative Code.

Management's Response

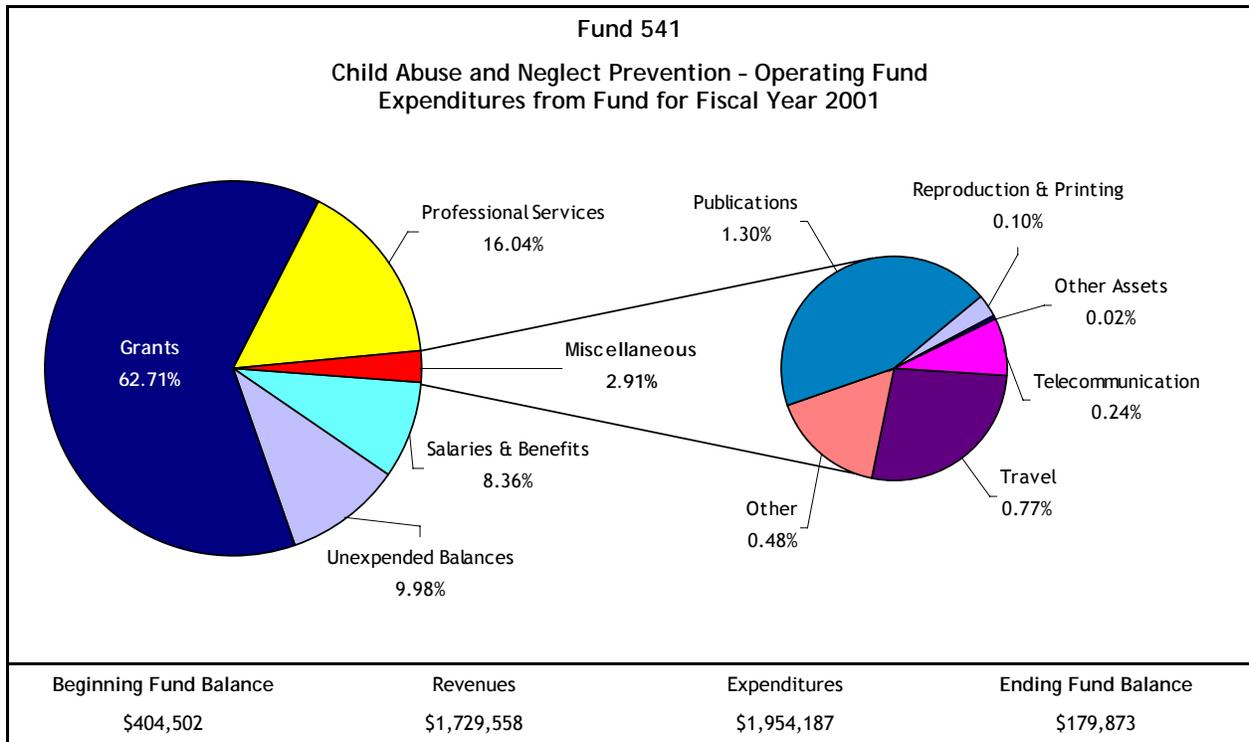
Effective September 1, 2001, the Children's Trust Fund of Texas Council (CTF) was abolished and the powers and duties transferred to the Texas Department of Protective and Regulatory Services (PRS) (77(R) HB 1475). As a result of this transfer, beginning in FY 2002 all procurements, contract awards, as well as contract monitoring are required to conform to current PRS rules and policies. To ensure that all current CTF contracts comply with the Human Resources Code and Texas Administrative Code requirements, the following measures have been taken:

- The 41 CTF contracts were renewed for FY 2002 utilizing the contract format and language approved by the PRS Contract Administration Division (CAD).
- All CTF contract files have been reviewed, reorganized and refiled according to the Division of Prevention and Early Intervention (PEI) policy.
- Internal Control Structure Questionnaires (ICSQs) were completed ICSQ reports will be written for all 41 CTF contracts for FY 2002.
- In determining monitoring levels, all FY 2002 CTF contracts were treated as new contracts by PRS and assigned monitoring levels based on contract dollar amounts. The contracts were further reviewed to consider the type of contract,

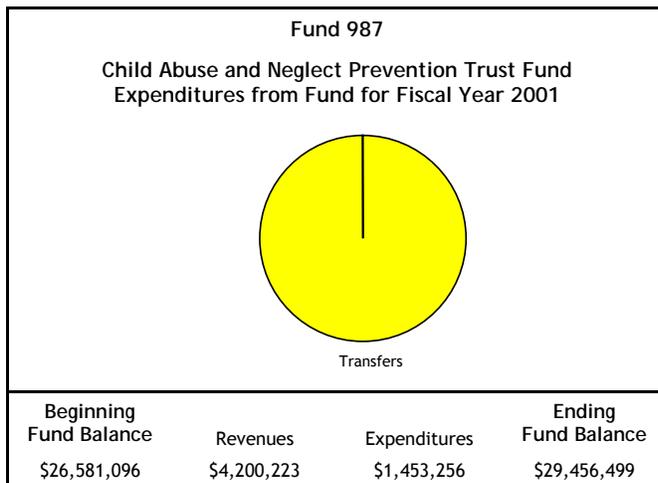
contract history, other PRS program monitoring for the same entity, billing history and monthly reports and placed on the monitoring schedule as appropriate. Twenty-five (25) of the 41 contracts were placed on the Statewide Monitoring Schedule for onsite limited or full monitoring for FY 2002.

- Monitoring reports are prepared for the provider and reviewed by the Section Lead for CTF as well as the Division Administrator.
- The 16 CTF contracts not on the monitoring schedule for FY 02 are in the last year of a 3-year period, with a maximum amount of \$26,387. These contracts will have an ICSQ report completed and will be reviewed both programmatically and fiscally beginning in May to prepare for the closure of the contracts.

Purpose, Source, and Spending Authority of the Fund



The Child Abuse and Neglect Prevention Trust Fund (Fund) was designed by the Children’s Trust Fund of Texas Council (Agency) to award grants to applicants that conduct programs aimed at the prevention of child abuse and neglect. Before fiscal year 2002, this fund was under the control of the Agency. Effective September 1, 2001, Senate Bill 1475, 77th Legislature, abolished the Agency and moved the Fund to the Department of Protective and Regulatory Services.



This fund is actually made up of two funds: the trust fund and the operating fund. Senate Bill 371, 69th Legislature, created the Fund and specified that money could not be appropriated from the trust fund. Money is transferred from the trust fund to the operating fund. The Agency indicated that it was only appropriated the interest received on the trust fund.

The revenue deposited in the trust fund comes from \$12.50 of the fee assessed to individuals who receive marriage licenses or declarations of informal marriage.

Fiscal Year 2001 Expenditures

Most of the operating fund's fiscal year 2001 expenditures were used to fund the grant programs and other functions of the Agency (see pie chart). The Agency was appropriated \$1.9 million for fiscal year 2001. Total expenditures reported for the Agency in the Uniform Statewide Accounting System were \$1.9 million. This includes an unexpended balance of \$195,000 for fiscal year 2001, making actual expenditures \$1.7 million.

The transfers shown in the trust fund pie chart are transfers to the operating fund.

Five-Year Trend Analysis

From fiscal year 1997 to 2001, the balance of this trust fund increased by \$7.9 million. The major source of revenue for the Fund comes from the fee. The amount of collected revenue appears to be steady.

There are small fund balances in the operating fund (541). This is because of the limited amount appropriated to the Agency. Revenue from federal funds has also decreased over the past five years. The majority of operating fund revenues are received from the trust fund and are expended each year.

Trust Fund 987

Fiscal Year	Beginning Fund Balance	Revenues from Court Costs	Federal Funds	Other	Total Funds Available	Total Expenditures	Ending Fund Balance
1997	\$ 19,702,507	\$ 2,531,647	\$ —	\$ 1,295,674	\$ 23,529,828	\$ 2,063,004	\$ 21,466,824
1998	\$ 21,466,824	\$ 2,453,821	\$ —	\$ 1,269,995	\$ 25,190,640	\$ 2,507,686	\$ 22,682,955
1999	\$ 22,682,955	\$ 2,410,271	\$ —	\$ 1,229,396	\$ 26,322,622	\$ 1,850,000	\$ 24,472,622
2000	\$ 24,472,622	\$ 2,480,552	\$ —	\$ 1,432,532	\$ 28,385,705	\$ 1,804,609	\$ 26,581,096
2001	\$ 26,581,096	\$ 2,637,597	\$ —	\$ 1,562,626	\$ 30,781,319	\$ 1,324,819	\$ 29,456,500

These expenditures are from the Uniform Statewide Accounting System as of the end of fiscal year 2001. Correcting entries have been removed to ensure that revenues and expenditures are not overstated.

Operating Fund 541

Fiscal Year	Beginning Fund Balance	Revenues from Court Costs	Federal Funds	Other	Total Funds Available	Total Expenditures	Ending Fund Balance
1997	\$ 22,888	\$ —	\$ 1,041,099	\$ 2,267,134	\$ 3,331,121	\$ 3,309,758	\$ 21,363
1998	\$ 21,363	\$ —	\$ 1,970,363	\$ 3,036,121	\$ 5,027,847	\$ 4,505,137	\$ 522,710
1999	\$ 522,710	\$ —	\$ 1,656,458	\$ 1,893,680	\$ 4,072,848	\$ 3,649,010	\$ 423,838
2000	\$ 423,838	\$ —	\$ 424,956	\$ 1,812,147	\$ 2,660,941	\$ 2,256,439	\$ 404,502
2001	\$ 404,502	\$ —	\$ 208,965	\$ 1,520,593	\$ 2,134,060	\$ 1,954,187	\$ 179,873

These expenditures are from the Uniform Statewide Accounting System as of the end of fiscal year 2001. Correcting entries have been removed to ensure that revenues and expenditures are not overstated.

Governor's Office

CRIMINAL JUSTICE PLANNING FUND (421)

Audit Results

For fiscal year 2001, we cannot provide assurance that the grantees of the Governor's Office (Office) always spent court cost and fees from the Criminal Justice Planning Fund for the intended purpose. Six percent (4 of 72) of expenditure transactions tested did not contain adequate support for the expenditure. We tested \$684,000 worth of transactions and found that 4.5 percent of the dollars tested were not supported. If extrapolated to the total population of approximately \$31 million in grants and contracts, the projected amount of questioned expenditures could be \$1.4 million.

Specific instances include the following:

- One grantee did not provide documentation sufficient to verify two payments totaling \$13,174.
- For two payments totaling \$17,552 to two other grantees, the Office was unable to locate records for fiscal year 2001 that identified funds were requested by an individual who was authorized to make payment requests. The Office could not locate records in either electronic or paper files. After we brought this issue to management's attention, the Office obtained retroactive authorizations from the two grantees. However, this is not sufficient because the authorizations were dated January and March 2002 and were provided after the funds were requested and paid.
- The Office did not monitor two of the grantees during the year we tested.

Grantees submit certified assurances that they fully understand and will comply with federal and state requirements before they receive any grant payments. The requirements are included in the Office's *Uniform Grant Management Standards* and the Texas Administrative Code. *Uniform Grant Management Standards* state that, for expenditures to be eligible for reimbursement, grantees must adequately document costs. Further, the Office's internal procedures require the grantee to designate an individual who is authorized to request reimbursement for expenditures. This information is submitted by the grantee and retained in the grantee files and in the Office's grant tracking system.

Recommendation

The Office should ensure that grantees maintain adequate supporting documentation for expenditures. Additionally, the Office should retain electronic or paper documentation of the individual designated by the grantee as authorized to request funds. Further, the Office should monitor grantees to ensure that funds are spent as intended.

Management's Response

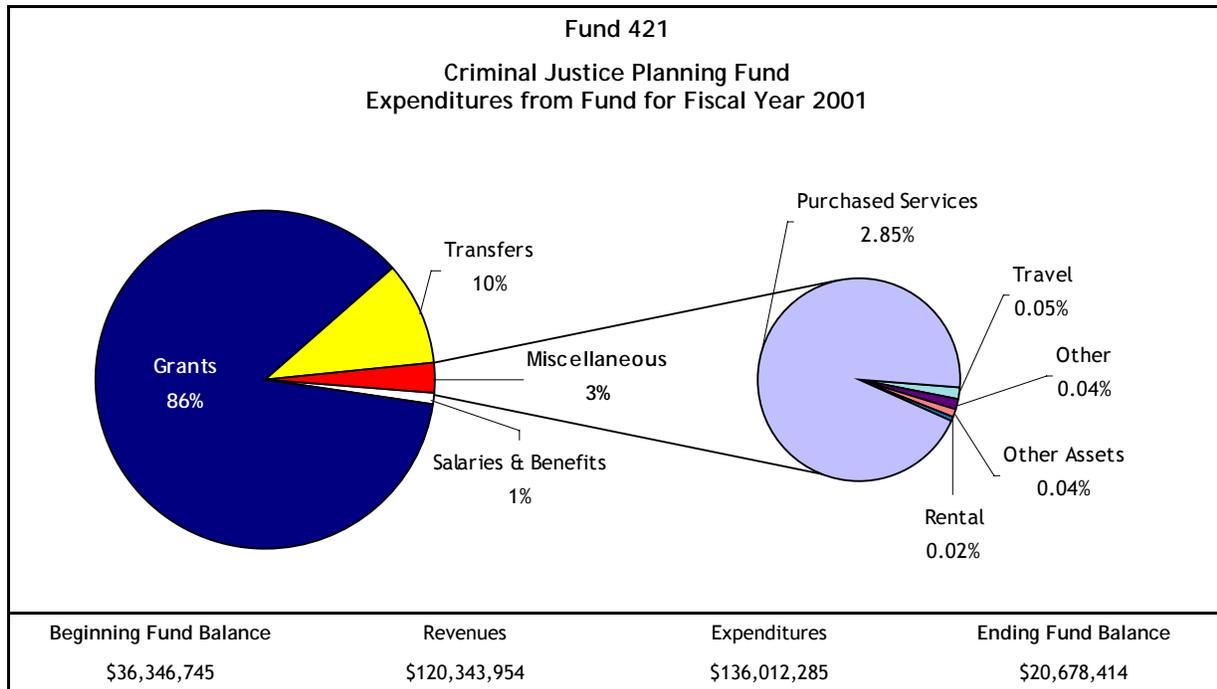
CJD agrees with the recommendation determined based on the \$30,726 in question, which represent 4.5 percent of all dollars tested.

CJD will continue to provide training to grantees, most of whom are non-profit, community-based organizations, with additional emphasis on maintaining adequate documentation within the prescribed records retention period of 3 years from the close of the grant for the review of state and federal agencies.

CJD does have three controls in place to ensure funds are requested by an authorized individual: 1) Initial grant documentation and/or notice of changes from grantees identifying authorized individuals, 2) CJD accounting staff verify authorized individuals at time requests are processed, and 3) Grants Tracking computerized system reflects the current designees at the time the requests are processed. As an added control, CJD will maintain a print out of the Grant system officials' screen for all designated personnel in file.

CJD conducted monitoring visits and desk reviews for 66% of total funds awarded in 2001. Management will ensure monitoring coverage of each grantee at least once every biennium.

Purpose, Source, and Spending Authority of the Fund



Senate Bill 841, 62nd Legislature, created the Criminal Justice Planning Fund (Fund) for the establishment and maintenance of the criminal justice system. The Criminal Justice Division of the Governor’s Office (Office) administers the Fund to provide grants for projects that meet the requirements of the Juvenile Justice and Youth Projects or the Criminal Justice Projects categories. These categories include projects for prevention, diversion, law enforcement, prosecution, information sharing, victim services, court, and training. They also include other projects designed to reduce crime and improve the criminal and juvenile justice systems.

The Legislature can reappropriate any unobligated balance for any court-related purpose.

Fund moneys come from consolidated court costs. The Fund receives 29.18 percent of all court costs assessed for criminal activities. Local entities are allowed to keep 10 percent of the money collected if they remit court costs on time to the Comptroller of Public Accounts.

Fiscal Year 2001 Expenditures

In fiscal year 2001 the Criminal Justice Division used most of the expenditures to fund projects (see pie chart). The transfer out amount represents federal pass-through grants. It also represents a requirement by the General Appropriations Act that directed the Office to transfer funds to the Department of Criminal Justice. The Office was appropriated \$135 million and spent \$136 million from this fund. Although expenditures for fiscal year 2001 exceed the amount appropriated, the

Office had \$1.1 million left unexpended at the end of the fiscal year. This difference is accounted for because multiple appropriation years are included in the expenditure totals for a fiscal year.

Five-Year Trend Analysis

From fiscal year 1998 to 2000, the balance of this fund increased (see table below). In fiscal year 2000 the Office received an additional \$30 million in federal funds, which increased the fund balance by almost \$22 million. In fiscal year 2001, the Office spent \$15.6 million more than it received in revenues, which reduced the fund balance.

Fiscal Year	Beginning Fund Balance	Revenues from Court Costs	Federal Funds	Other	Total Funds Available	Total Expenditures	Ending Fund Balance
1997	\$ 18,512,274	\$ 20,924,862	\$ 41,565,783	\$ 7,426	\$ 81,010,345	\$ 67,975,967	\$ 13,034,378
1998	\$ 13,034,378	\$ 21,519,300	\$ 48,820,097	\$ 174,572	\$ 83,548,347	\$ 74,497,400	\$ 9,050,948
1999	\$ 9,050,948	\$ 23,743,452	\$ 70,235,246	\$ 177,248	\$ 103,206,894	\$ 88,850,129	\$ 14,356,765
2000	\$ 14,356,765	\$ 24,838,943	\$ 102,414,198	\$ 3	\$ 141,609,909	\$ 105,263,163	\$ 36,346,745
2001	\$ 36,346,745	\$ 25,495,403	\$ 94,504,312	\$ 344,239	\$ 156,690,699	\$ 136,012,285	\$ 20,678,414

These expenditures are from the Uniform Statewide Accounting System as of the end of fiscal year 2001. Correcting entries have been removed to ensure that revenues and expenditures are not overstated.

The State Auditor's Office is currently conducting a contract administration audit of the Criminal Justice Division at the Governor's Office, the results of which may indirectly relate to the work performed in this audit. The contract administration audit report is scheduled for release in Summer 2002.

Governor's Office

CRIME STOPPERS ASSISTANCE FUND (5012)

Audit Results

For fiscal year 2001, we cannot provide assurance that the grantees of the Governor's Office (Office) always spent court costs and fees from the Crime Stoppers Assistance Fund (Fund) for the intended purpose. Sixteen percent (7 of 45) of expenditure transactions tested did not contain adequate support for the expenditure. We tested \$314,034 worth of transactions and found that 2.7 percent of the dollars tested were not supported. If extrapolated to the total population of approximately \$912,250, the projected amount of questioned expenditures could be \$24,000.

We cannot provide assurance because grantees did not maintain documentation sufficient to show they expended funds in accordance with their grant agreements and the Office's policies. Grantees are required to retain documents relating to the expenditure of grant funds for at least three years.

Grantees submit certified assurances that they fully understand and will comply with federal and state requirements before they receive any grant payments. The requirements are included in the Office's *Uniform Grant Management Standards* and the Texas Administrative Code. *Uniform Grant Management Standards* state that, for expenditures to be eligible for reimbursement, grantees must adequately document costs.

Additionally, the Office did not monitor two of the grantees during the year tested.

Recommendation

The Office should ensure that grantees maintain adequate supporting documentation for expenditures. Additionally, the Office should monitor grantees to ensure that funds are spent as intended.

Management's Response

CJD agrees with the recommendation determined based on the \$8,350 in question which represent 2.7 percent of all dollars tested.

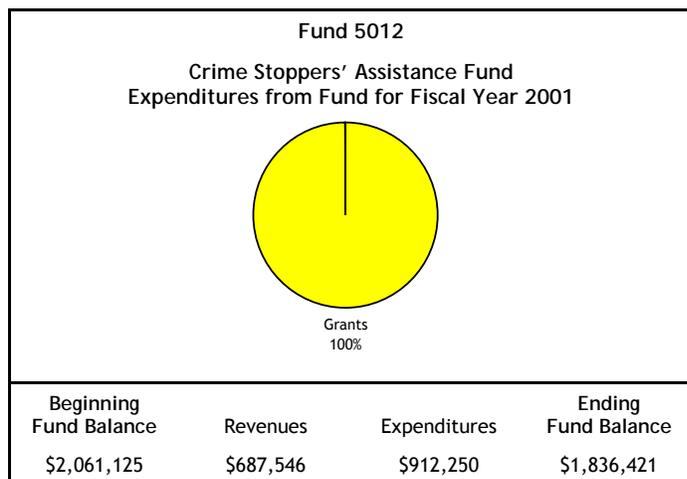
CJD will continue to provide training to grantees, most of whom are non-profit, community-based organizations, with additional emphasis on maintaining adequate documentation within the prescribed records retention period of 3 years from the close of the grant for the review of state and federal agencies.

CJD conducted monitoring visits and desk reviews for 65% of total funds awarded in 2001. Management will ensure monitoring coverage of each grantee at least once every biennium.

Purpose, Source and Spending Authority of the Fund

Senate Bill 1471, 71st Legislature, created the Crime Stoppers Assistance Fund (Fund) to support local crime stoppers programs. The Criminal Justice Division of the Governor's Office (Office) may use 10 percent of the funds to operate the toll-free telephone crime stoppers service. The Criminal Justice Division has to distribute the remainder of the funds to crime stoppers organizations.

The Fund is part of the consolidated court costs and receives 0.60 percent of all court costs assessed for criminal activities. Local entities are allowed to keep 10 percent of the money collected if they remit court costs on time to the Comptroller of Public Accounts.



Fiscal Year 2001 Expenditures

All fiscal year 2001 expenditures were used to fund grant programs (see pie chart). The Office was appropriated \$1.1 million and spent approximately \$912,000.

Five-Year Trend Analysis

From fiscal year 1997 to 2000, the balance of this fund increased (see chart below). The major source of revenue for the Fund comes from state-collected court costs. The fund balance in fiscal year 2001 decreased because there were more expenditures than collected revenue.

Fiscal Year	Beginning Fund Balance	Revenues from Court Costs	Federal Funds	Other	Total Available Funds	Total Expenditures	Ending Fund Balance
1997	\$ 243,034	\$ 459,025	\$ —	\$ 348,000	\$ 1,050,059	\$ 268,770	\$ 781,290
1998	\$ 781,290	\$ 595,681	\$ —	\$ —	\$ 1,376,971	\$ 297,486	\$ 1,079,485
1999	\$ 1,079,485	\$ 778,159	\$ —	\$ —	\$ 1,857,644	\$ 241,909	\$ 1,615,735
2000	\$ 1,615,735	\$ 649,725	\$ —	\$ —	\$ 2,265,461	\$ 204,335	\$ 2,061,125
2001	\$ 2,061,125	\$ 687,546	\$ —	\$ —	\$ 2,748,671	\$ 912,250	\$ 1,836,421

These expenditures are from the Uniform Statewide Accounting System as of the end of fiscal year 2001. Correcting entries have been removed to ensure that revenues and expenditures are not overstated.

The State Auditor's Office is currently conducting a contract administration audit of the Criminal Justice Division at the Governor's Office, the results of which may indirectly relate to the work performed this audit. The contract administration audit report is scheduled for release in Summer 2002.

Chapter 3.4

Department of Public Safety

FUGITIVE APPREHENSION FUND (5028)

Audit Results

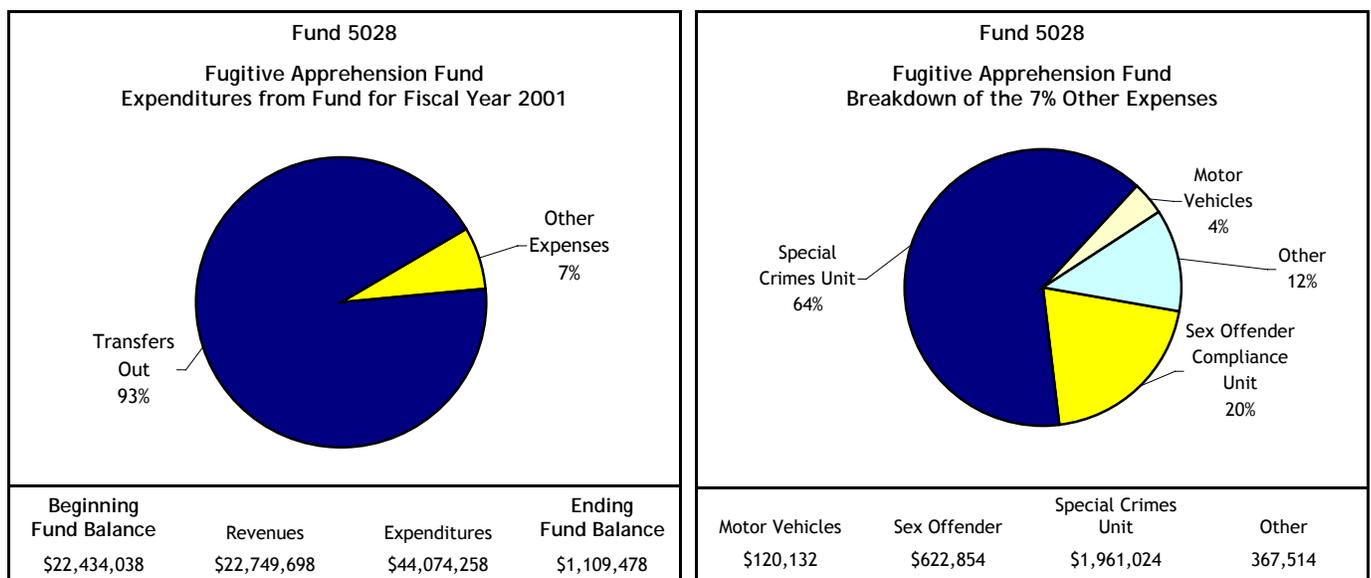
Testing of fiscal year 2001 expenditures made by the Department of Public Safety (Department) showed that the Department spent money from the Fugitive Apprehension Fund (Fund) for the intended purpose. The Department used most of the money to fund the salaries and benefits of personnel who worked in the Special Crimes Unit.

Purpose, Source, and Spending Authority of the Fund

Senate Bill 565, 76th Legislature, modified the purpose of the Fund by dedicating a portion to the creation and operation of the Sex Offender Compliance Unit.

The Department of Public Safety spent a portion of the remaining money for the apprehension of fugitives through the Special Crimes Unit. However, it does not appear that this portion of the Fund has a specific purpose because the legislation governing the purpose expired at the end of the 1998-1999 biennium.

Revenue deposited in the Fund comes from a \$5 court cost assessed to individuals convicted of criminal activities. Local entities are allowed to keep 10 percent of the money collected if they remit court costs on time to the Comptroller of Public Accounts.



Fiscal Year 2001 Expenditures

In fiscal year 2001, expenditures for this fund totaled \$44 million. As the first pie chart shows, \$41 million was transferred to the General Revenue Fund. The Department of Criminal Justice used the transferred funds to finance an increase in prison capacity.

The second pie chart shows how the Department spent the remaining 7 percent. In total, the Department was appropriated and spent \$3 million from this fund. The Department spent the majority of the money on the Special Crimes Unit. The next largest portion was spent on the Sex Offender Unit.

Five-Year Trend Analysis

From fiscal year 1999 to 2000, the balance of this fund decreased (see table below). Large expenditures were made from the Fund in fiscal years 1999 and 2001. This caused reductions in the fund balance for each of those years. The increase in expenditures in fiscal year 2001 occurred because of the \$41 million transferred out of the Fund to cover expenses incurred by the Department of Criminal Justice when it expanded the capacity of the prisons. The major source of revenue for the Fund comes from collected court costs.

Fiscal Year	Beginning Fund Balance	Court Costs	Federal Fund	Other	Total Funds Available	Total Expenditures	Ending Fund Balance
1997	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
1998	\$ —	\$ 10,020,220	\$ —	\$ 422	\$ 10,020,642	\$ 4,849,090	\$ 5,171,552
1999	\$ 5,171,552	\$ 19,091,095	\$ —	\$ 2,412	\$ 24,265,059	\$ 19,200,293	\$ 5,064,766
2000	\$ 5,064,766	\$ 21,485,659	\$ —	\$ 5,617	\$ 26,556,042	\$ 4,122,003	\$ 22,434,038
2001	\$ 22,434,038	\$ 22,745,564	\$ —	\$ 4,135	\$ 45,183,737	\$ 44,074,259	\$ 1,109,478

These expenditures are from the Uniform Statewide Accounting System as of the end of fiscal year 2001. Correcting entries have been removed to ensure that revenues and expenditures are not overstated.

Department of Public Safety

BREATH ALCOHOL TESTING FUND (5013)

Audit Results

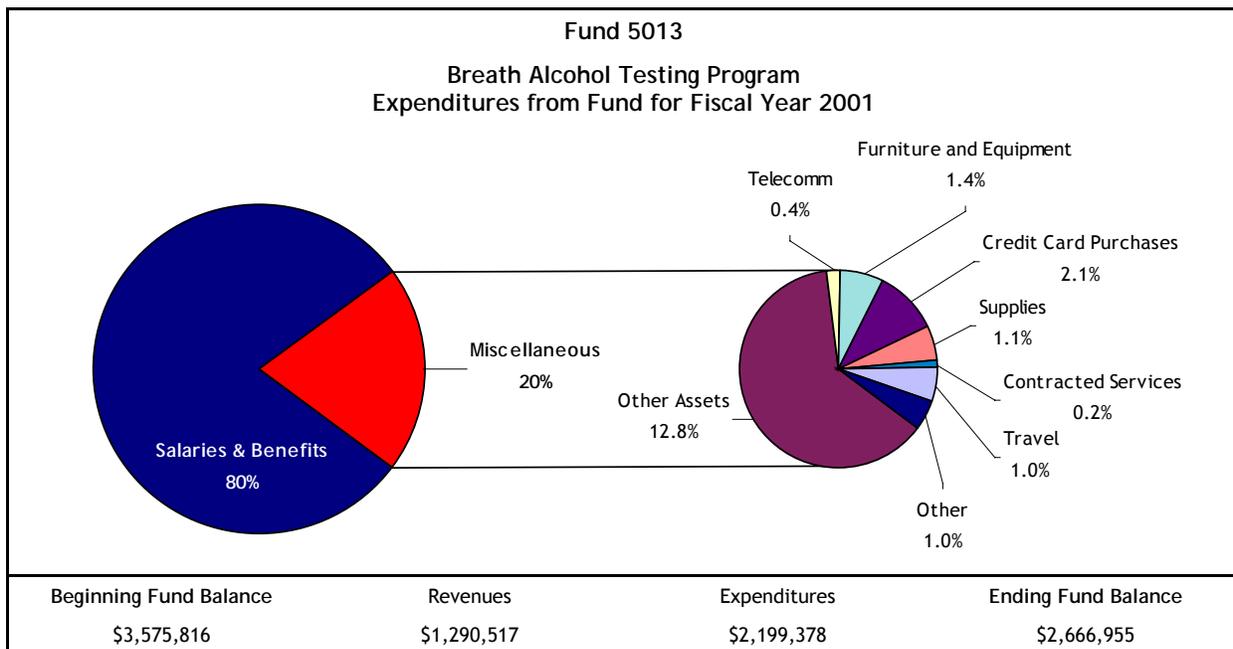
Testing of fiscal year 2001 expenditures showed that the Department of Public Safety (Department) spent money from the Breath Alcohol Testing Fund (Fund) in accordance with the Fund’s legislative purpose. The Department used most of the money to fund salaries and benefits of personnel who worked at the Department (see pie chart below).

Purpose, Source, and Spending Authority of the Fund

House Bill 11, 72nd Legislature, created the Breath Alcohol Testing Program Fund. The Fund is to be used for the implementation, administration, and support of a statewide certified breath alcohol program.

Fund moneys are collected as part of consolidated court costs. The Fund receives 1.28 percent of all court costs assessed for criminal activities. Local entities are allowed to keep 10 percent of the money collected if they remit court costs on time to the Comptroller of Public Accounts.

Some counties maintain breath and alcohol testing programs that do not use the services of the Department. To support their programs, these counties charge a \$22.50 fee to the people to whom they administer the breath alcohol test.



Fiscal Year 2001 Expenditures

In fiscal year 2001, expenditures totaled almost \$2.2 million. Most of the expenditures were used for salaries and benefits (see pie chart). Miscellaneous expenditures accounted for 20 percent of the funds spent.

The Department was appropriated \$2.3 million and expended \$2.2 million, leaving \$94,012 unexpended budget at the end of the fiscal year.

Five-Year Trend Analysis

From fiscal year 1997 to 1999, the balance of this fund increased because there were no expenditures (see table below). The Department was not appropriated money from this fund. The Department began making expenditures from the Fund in fiscal year 2000. Since then, expenditures have been greater than collected revenue. This reduced the fund balance by more than \$800,000 in fiscal years 2000 and 2001.

Fiscal Year	Beginning Fund Balance	Revenues from Court Costs	Federal Funds	Other	Total Funds Available	Total Expenditures	Ending Fund Balance
1997	\$ 889,467	\$ 917,293	\$ —	\$ —	\$ 1,806,760	\$ —	\$ 1,806,760
1998	\$ 1,806,760	\$ 1,192,677	\$ —	\$ —	\$ 2,999,437	\$ —	\$ 2,999,437
1999	\$ 2,999,437	\$ 1,385,885	\$ —	\$ —	\$ 4,385,322	\$ —	\$ 4,385,322
2000	\$ 4,385,322	\$ 1,196,131	\$ —	\$ 64,201	\$ 5,645,655	\$ 2,069,838	\$ 3,575,816
2001	\$ 3,575,816	\$ 1,209,617	\$ —	\$ 80,900	\$ 4,866,333	\$ 2,199,378	\$ 2,666,955

These expenditures are from the Uniform Statewide Accounting System as of the end of fiscal year 2001. Correcting entries have been removed to ensure that revenues and expenditures are not overstated.

Department of Public Safety

OPERATORS AND CHAUFFEURS LICENSE FUND (99)

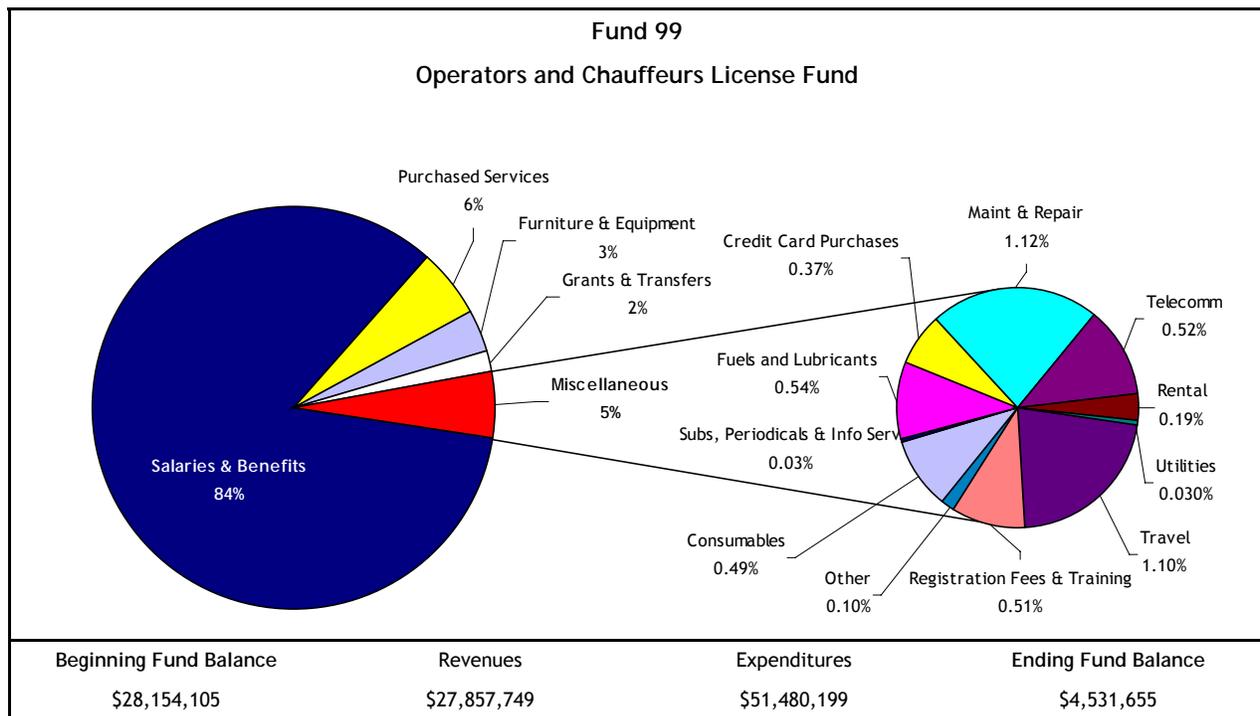
Audit Results

Testing of fiscal year 2001 expenditures showed that the Department of Public Safety (Department) spent money from the Operators and Chauffeurs License Fund (Fund) for the intended purpose. The Department used most of the money to fund the salaries and benefits of personnel who worked at the Department.

Purpose, Source, and Spending Authority of the Fund

The Operators and Chauffeurs License Fund is permanently dedicated to the Department of Public Safety. The purpose identified in House Bill 1294, 70th Legislature, is that the funds are for use by the Department.

Fund moneys come from consolidated court costs. The Fund receives 25.9 percent of all court costs assessed for criminal activities. Local entities are allowed to keep 10 percent of the money collected if they remit court costs on time to the Comptroller of Public Accounts.



Fiscal Year 2001 Expenditures

In fiscal year 2001, expenditures for the Fund totaled \$51.5 million. The Department used most of the money to fund salaries and benefits of personnel (see pie chart). The Department was appropriated \$57.4 million and expended \$51.5 from the Fund in fiscal year 2001. The Department had \$1.8 million committed but unspent at the end of the fiscal year. The Department had \$600,000 remaining as unspent budget from fiscal year 2001.

Five-Year Trend Analysis

From fiscal year 1997 to 1999, the balance of this fund increased (see table below). From fiscal year 1999 to 2001, the balance decreased by \$50 million. Expenditures greatly increased from fiscal year 1999 to 2000. For fiscal years 2000 and 2001, expenditures were approximately \$20 million greater than collected revenues. Revenues from court costs are the major source of revenue for the Fund.

Fiscal Year	Beginning Fund Balance	Revenues from Court Costs	Federal Funds	Other	Total Funds Available	Total Expenditures	Ending Fund Balance
1997	\$ 25,141,464	\$ 20,270,403	\$ 1,068,373	\$ 21,388	\$ 46,501,628	\$ (387,767)	\$ 46,889,395
1998	\$ 46,889,395	\$ 22,516,110	\$ 1,515,324	\$ 4,132,980	\$ 75,053,809	\$ 21,167,949	\$ 53,885,860
1999	\$ 53,885,860	\$ 22,876,383	\$ 1,497,237	\$ 6,296,801	\$ 84,556,281	\$ 30,338,835	\$ 54,217,446
2000	\$ 54,217,446	\$ 22,950,729	\$ 5,865,755	\$ 580,017	\$ 83,613,947	\$ 55,459,842	\$ 28,154,105
2001	\$ 28,154,105	\$ 23,281,248	\$ 3,789,523	\$ 786,977	\$ 56,011,853	\$ 51,480,199	\$ 4,531,655

These expenditures are from the Uniform Statewide Accounting System as of the end of fiscal year 2001. Correcting entries have been removed to ensure that revenues and expenditures are not overstated.

Chapter 3.5

Texas Rehabilitation Commission

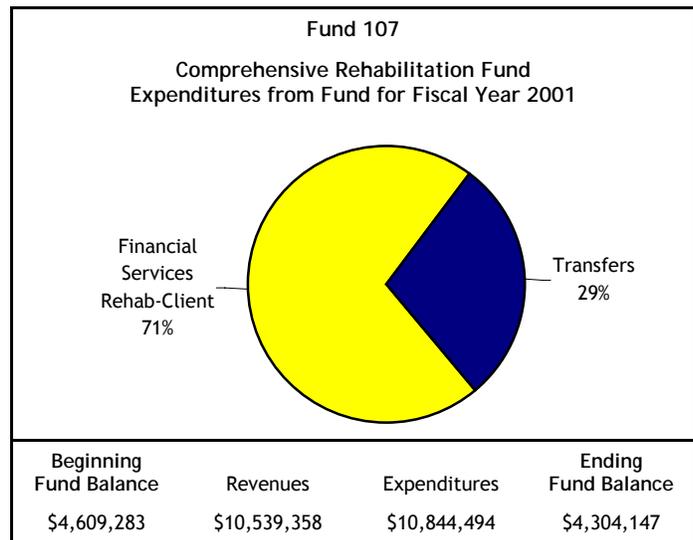
COMPREHENSIVE REHABILITATION FUND (107)

Purpose, Source and Spending Authority of the Fund

Senate Bill 195, 75th Legislature, established the Comprehensive Rehabilitation Fund (Fund) to provide rehabilitation services to eligible individuals. Fund moneys are collected as part of the consolidated court costs. The Fund receives 12.37 percent of all court costs assessed for criminal activities. Local entities are allowed to keep 10 percent of the money collected if they remit court costs on time to the Comptroller of Public Accounts. At the end of the fiscal year, the Comptroller has the authority to transfer funds in excess of \$500,000 to the General Revenue Fund.

Fiscal Year 2001 Expenditures

In fiscal year 2001, expenditures totaled \$10.8 million. Most of the expenditures were used for rehabilitative services of clients (see pie chart). The Texas Rehabilitation Commission (Commission) indicated \$3.0 million (29 percent) of the expenditures were transferred out of the Fund to the General Revenue Fund. This left actual expenditures of \$7.8 million.



The Commission was appropriated \$8.5 million in fiscal year 2001. This left approximately \$666,000 left unspent at the end of the year.

Five-Year Trend Analysis

From fiscal year 1997 to 1999, the balance of this fund decreased (see table below). The total funds available increased by \$2.4 million. The major source of revenue for the Fund comes from collected court costs. The court costs revenues have been steadily increasing since fiscal year 1998. However, expenditures have varied from year to year with expenditures increasing by \$2 million from fiscal year 2000 to 2001.

Fiscal Year	Beginning Fund Balance	Revenues from Court Costs	Federal Funds	Other	Total Available Funds	Total Expenditures	Ending Fund Balance
1997	\$ 6,355,447	\$ 8,530,880	\$ —	\$ 39,974	\$ 14,926,301	\$ 9,732,729	\$ 5,193,572
1998	\$ 5,193,572	\$ 8,280,790	\$ —	\$ (16,912)	\$ 13,457,450	\$ 10,291,886	\$ 3,165,564
1999	\$ 3,165,564	\$ 9,545,623	\$ —	\$ 764	\$ 12,711,951	\$ 9,365,642	\$ 3,346,309
2000	\$ 3,346,309	\$ 9,985,658	\$ —	\$ 4,071	\$ 13,336,038	\$ 8,726,755	\$ 4,609,283
2001	\$ 4,609,283	\$ 10,537,271	\$ —	\$ 2,087	\$ 15,148,641	\$ 10,844,494	\$ 4,304,147

These expenditures are from the Uniform Statewide Accounting System as of the end of fiscal year 2001. Correcting entries have been removed to ensure that revenues and expenditures are not overstated.

Chapter 3.6

Court of Criminal Appeals

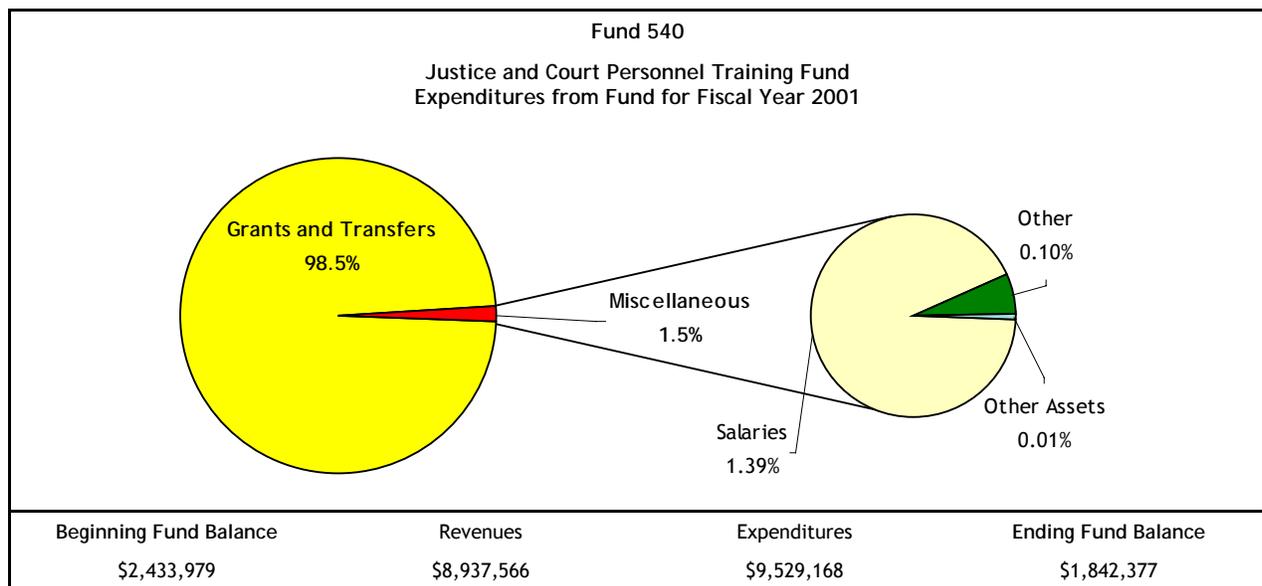
JUDICIAL AND COURT PERSONNEL TRAINING FUND (540)

Purpose, Source, and Spending Authority of the Fund

The 70th Legislature established the Judicial and Court Personnel Training Fund (Fund) to provide continuing education to judges and other court personnel. The Court of Criminal Appeals can spend no more than 3 percent of the Fund on the Fund's administration. In addition, no more than one-third of the funds appropriated in one year can be used for each of the following purposes:

- Continuing education for the appellate courts, district courts, county courts at law, and county courts
- Continuing legal education of judges of justice courts
- Continuing legal education of judges of municipal courts

The revenue deposited in this fund comes from a \$2.00 court cost assessed to individuals who are convicted of various types of criminal activities. Local entities are allowed to keep 10 percent of the money collected if they remit court costs on time to the Comptroller of Public Accounts.



Fiscal Year 2001 Expenditures

In fiscal year 2001, expenditures totaled \$9.5 million. Most of the expenditures were used for grant programs to educate local judges and court personnel (see pie chart).

Twenty percent of expenditures were transfers out of the Fund. The transfers were made to the General Revenue Fund because Texas Government Code, Section 56.001, states that all funds in excess of \$500,000 shall be transferred out of the Fund.

In fiscal year 2001 the Court of Criminal Appeals was appropriated \$7.6 million.

Five-Year Trend Analysis

From fiscal year 1997 to 2001, the Fund's total revenues have increased (see table below). The major source of revenue for the Fund comes from collected court costs. In fiscal year 2001, expenditures were greater than revenue collected. This resulted in a reduction of the fund balance.

Fiscal Year	Beginning Fund Balance	Revenues from Court Costs	Federal Funds	Other	Total Funds Available	Total Expenditures	Ending Fund Balance
1997	\$ 551,291	\$ 3,945,680	\$ —	\$ 81,335	\$ 4,578,306	\$ 3,840,606	\$ 737,700
1998	\$ 737,700	\$ 4,006,064	\$ —	\$ 231,269	\$ 4,975,033	\$ 3,802,661	\$ 1,172,372
1999	\$ 1,172,372	\$ 4,343,259	\$ —	\$ 235,122	\$ 5,750,753	\$ 4,363,425	\$ 1,387,328
2000	\$ 1,387,328	\$ 7,061,648	\$ —	\$ 230,042	\$ 8,679,018	\$ 6,245,039	\$ 2,433,979
2001	\$ 2,433,979	\$ 8,713,749	\$ —	\$ 223,817	\$ 11,371,545	\$ 9,529,168	\$ 1,842,377

These expenditures are from the Uniform Statewide Accounting System as of the end of fiscal year 2001. Correcting entries have been removed to ensure that revenues and expenditures are not overstated.

Chapter 3.7

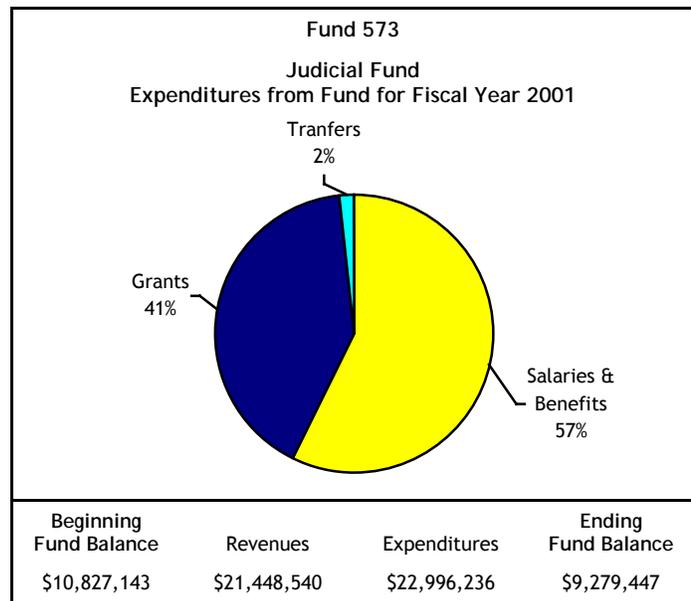
Office of the Comptroller, Office of Court Administration, and Presiding Judges

JUDICIAL FUND (573)

Purpose, Source, and Spending Authority of the Fund

The Judicial Fund (Fund), created by House Bill 27, 69th Legislature, is used to support the judiciary.

This fund has two sub-accounts: the Child Support and Court Management Account and the District Court Support Account. The purpose of the Child Support and Court Management Account is to provide increased funds for enforcement and collection related to child support obligations. The purpose of the District Court Support Account is to defray the salaries of support personnel and other expenses incurred in the operations of the district courts.



The revenue deposited in this fund comes from a \$15 court cost assessed on criminal cases and a \$40 filing fee on civil cases. Additionally, revenue is also deposited in this fund from filing fees assessed for legal services to indigent persons.

Fiscal Year 2001 Expenditures

In fiscal year 2001, expenditures totaled \$22.9 million. Most of the expenditures were used for the salaries and benefits of the district judges (see pie chart). The majority of the remaining expenditures funded grants to eligible counties. The fund appropriations for fiscal year 2001 totaled \$21.3 million.

Five-Year Trend Analysis

From fiscal year 1997 to 1999, the fund balance increased (see table below). In fiscal years 2000 and 2001, the balance decreased. The main source of revenue for the Fund comes from collected court costs. While the revenue for this fund has steadily increased over the last five years, expenditures exceeded revenue in fiscal years 2000 and 2001.

Fiscal Year	Beginning Fund Balance	Revenues from Court Costs	Federal Funds	Other	Total Available Funds	Total Expenditures	Ending Fund Balance
1997	\$ 1,218,377	\$ 14,384,087	\$ —	\$ 482,419	\$ 16,084,883	\$ 13,138,344	\$ 2,946,539
1998	\$ 2,946,539	\$ 17,865,755	\$ —	\$ 347,662	\$ 21,159,956	\$ 8,262,264	\$ 12,897,692
1999	\$ 12,897,692	\$ 19,704,451	\$ —	\$ 348,055	\$ 32,950,198	\$ 17,899,239	\$ 15,050,959
2000	\$ 15,050,959	\$ 20,855,841	\$ —	\$ 339,459	\$ 36,246,259	\$ 25,419,116	\$ 10,827,143
2001	\$ 10,827,143	\$ 21,115,765	\$ —	\$ 332,775	\$ 32,275,683	\$ 22,996,236	\$ 9,279,447

These expenditures are from the Uniform Statewide Accounting System as of the end of fiscal year 2001. Correcting entries have been removed to ensure that revenues and expenditures are not overstated.

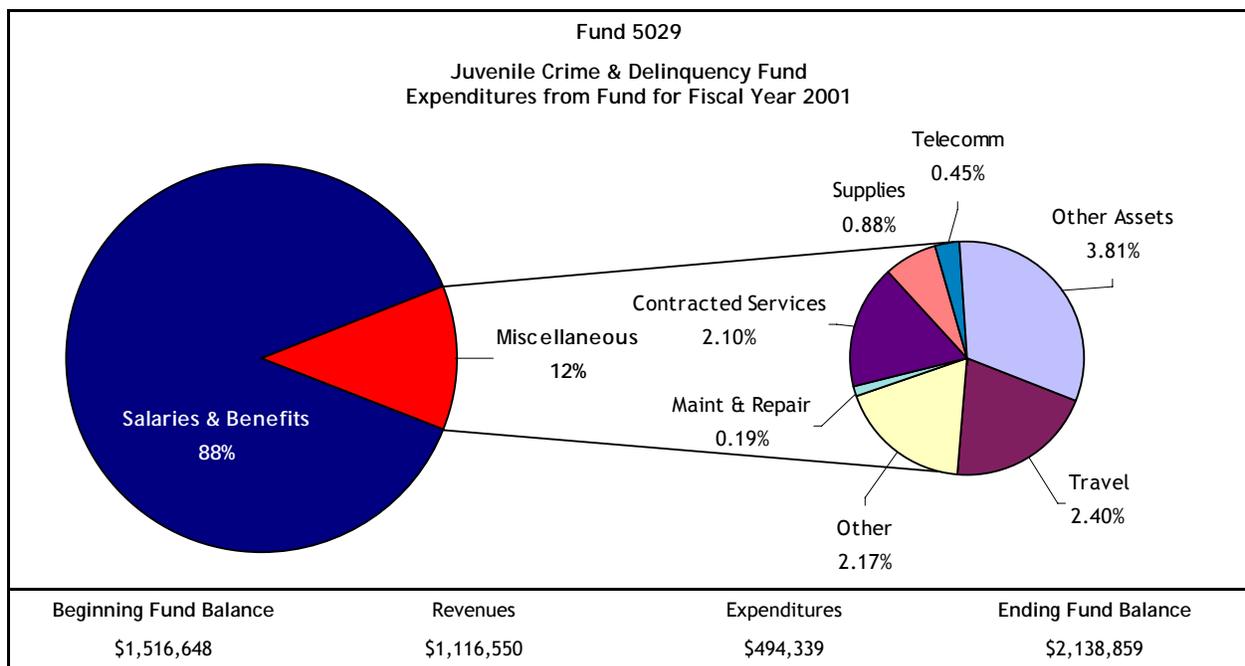
Prairie View A&M University

JUVENILE CRIME AND DELINQUENCY FUND (5029)

Purpose, Source, and Spending Authority of the Fund

House Bill 2272, 75th Legislature, created the Juvenile Crime and Delinquency Fund (Fund) to establish and operate the Center for Study and Prevention of Juvenile Crime and Delinquency (Center). The Center is supposed to conduct research, provide educational programs, act as a resource, and establish other programs at Prairie View A&M University.

The revenue deposited in this fund comes from a \$.50 court cost assessed to individuals who are convicted of various types of criminal activities. Local courts are allowed to keep 10 percent of the money collected if they remit court costs on time to the Comptroller of Public Accounts.



Fiscal Year 2001 Expenditures

In fiscal year 2001, expenditures totaled \$494,339. Most of the expenditures were used for salaries and benefits to operate the Center (see pie chart). In fiscal year 2001 the University was appropriated \$600,000. The remaining were funds that the agency did not collect, or a collected lapse.

Five-Year Trend Analysis

From fiscal year 1998 to 2001, the fund balance for this fund increased (see table below). The only source of revenue for the Fund comes from collected court costs. In general, expenditures were less than 20 percent of total available funds. Expenditures decreased in fiscal year 2001 by \$100,000. The University indicated that the funding for salaries through grants had increased in the past year thus the decrease in salaries paid through the fund. The University indicated this trend should not continue because the grant program will be completed and the salaries will again be funded through the Fund.

Fiscal Year	Beginning Fund Balance	Revenues from Court Costs	Federal Funds	Other	Total Available Funds	Total Expenditures	Ending Fund Balance
1997	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
1998	\$ —	\$ 589,286	\$ —	\$ —	\$ 589,286	\$ 119,395	\$ 469,891
1999	\$ 469,891	\$ 1,025,490	\$ —	\$ —	\$ 1,495,380	\$ 517,902	\$ 977,479
2000	\$ 977,479	\$ 1,133,933	\$ —	\$ —	\$ 2,111,412	\$ 594,764	\$ 1,516,648
2001	\$ 1,516,648	\$ 1,116,550	\$ —	\$ —	\$ 2,633,198	\$ 494,339	\$ 2,138,859

These expenditures are from the Uniform Statewide Accounting System as of the end of fiscal year 2001. Correcting entries have been removed to ensure that revenues and expenditures are not overstated.

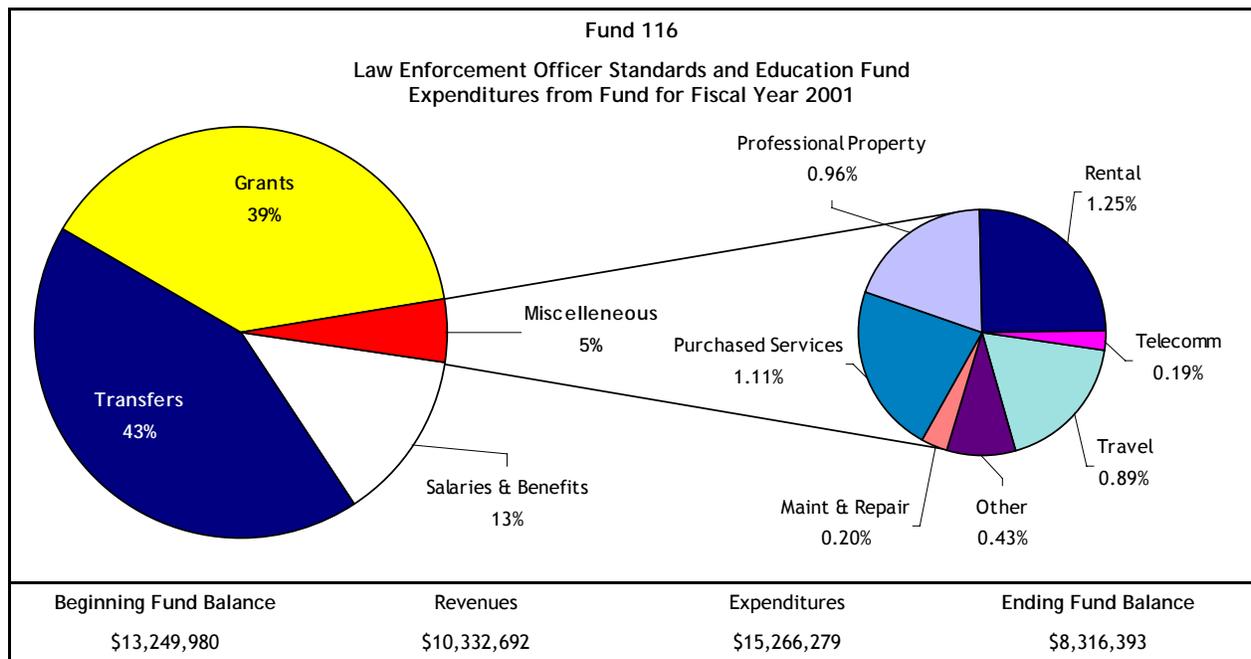
Commission on Law Enforcement Officer Standards and Education

LAW ENFORCEMENT OFFICER STANDARDS AND EDUCATION FUND (116)

Purpose, Source, and Spending Authority of the Fund

House Bill 451, 65th Legislature, created the Law Enforcement Officer Standards and Education Fund (Fund). The purpose of this Fund is to provide continuing education for law enforcement personnel. According to Texas Government Code, Section 415.0845, 20 percent of distributed funds should go to local law enforcement agencies in equal shares. The other 80 percent of funds go to local law enforcement agencies in a fixed amount based on the number of law enforcement positions in each local agency.

Fund moneys are collected as part of the consolidated court costs. The Fund receives 11.63 percent of all court costs assessed for criminal activities. Local entities are allowed to keep 10 percent of the money collected if they remit court costs on time to the Comptroller of Public Accounts.



Fiscal Year 2001 Expenditures

In fiscal year 2001, expenditures totaled \$15.3 million. The largest portion of the expenditures (\$6.5 million) was transferred out of the Fund (see pie chart). The funds were transferred to the General Revenue Fund because Texas Government Code, Section 415.084, states that money remaining in this account at the end of the

fiscal year shall be transferred to the General Revenue Fund. Thirty-nine percent (\$6 million) was used for grants to local law enforcement agencies.

The Commission on Law Enforcement Officer Standards and Education (Commission), Employee Retirement System, and the Comptroller of Public Accounts expend money from this fund. The three agencies were appropriated \$9.6 million in fiscal year 2001. The difference between the appropriated amount and the expenditures is accounted for by the transfer out of the Fund.

Five-Year Trend Analysis

From fiscal year 1998 to 2000, the balance for this fund increased (see table below). The major source of revenue for the Fund comes from collected court costs. Over the last four years, court costs revenues have continually grown. Expenditures for the Fund have not been consistent. Expenditures increased from fiscal year 2000 to fiscal year 2001 by \$6.4 million. This could probably be attributed to the transfer out of funds.

Fiscal Year	Beginning Fund Balance	Revenues From Court Costs	Federal Funds	Other	Total Available Funds	Total Expenditures	Ending Fund Balance
1997	\$ 12,216,735	\$ 10,911,397	\$ 55,265	\$ 46,741	\$ 23,230,138	\$ 8,231,184	\$ 14,998,954
1998	\$ 14,998,954	\$ 9,501,860	\$ —	\$ 84,229	\$ 24,585,043	\$ 13,356,286	\$ 11,228,757
1999	\$ 11,228,757	\$ 9,368,227	\$ —	\$ 214,614	\$ 20,811,598	\$ 8,580,198	\$ 12,231,400
2000	\$ 12,231,400	\$ 9,672,124	\$ —	\$ 172,722	\$ 22,076,246	\$ 8,826,266	\$ 13,249,980
2001	\$ 13,249,980	\$ 10,134,838	\$ —	\$ 197,854	\$ 23,582,672	\$ 15,266,279	\$ 8,316,393

These expenditures are from the Uniform Statewide Accounting System as of the end of fiscal year 2001. Correcting entries have been removed to ensure that revenues and expenditures are not overstated.

Sam Houston State University

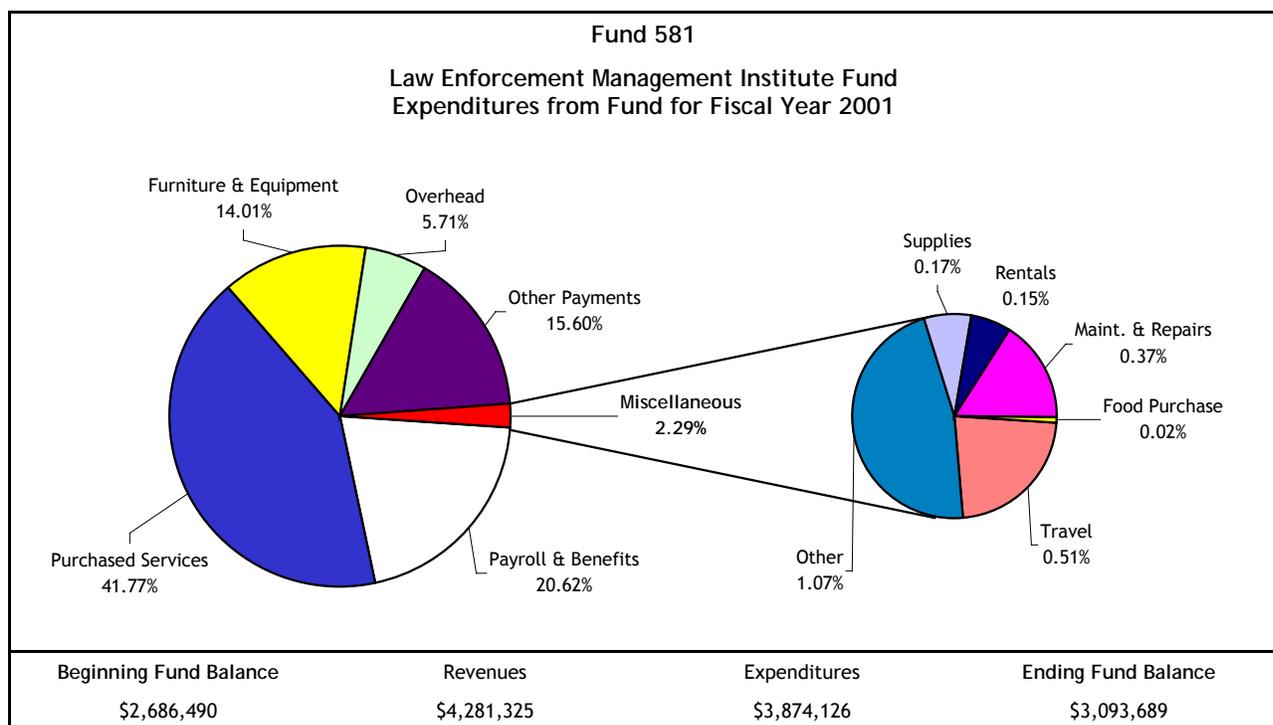
BILL BLACKWOOD LAW ENFORCEMENT MANAGEMENT INSTITUTE FUND (581)

Purpose, Source, and Spending Authority of the Fund

Senate Bill 800, 70th Legislature, established the Law Enforcement Management Institute Fund (Fund) to create an institute whose purpose is to train police management personnel. The Fund pays for a participant's costs to attend the Institute, including tuition, books, room, board, and travel costs. The Board of Regents of the Texas State University System can also pledge portions of the proceeds of the Fund for the payment of bonds to make capital improvements.

The administration of the Institute was placed under the supervision and direction of the President of Sam Houston State University and is operated and managed as a joint program between Sam Houston State University, Texas A&M University, and Texas Woman's University.

Fund moneys are collected as part of the consolidated court costs. The Fund receives 5.04 percent of all court costs assessed for criminal activities. Local entities are allowed to keep 10 percent of the moneys collected if they remit court costs on time to the Comptroller of Public Accounts.



Fiscal Year 2001 Expenditures

In fiscal year 2001, expenditures totaled \$3.9 million. The largest portion of the expenditures was used for purchased services (see pie chart). Sixty-seven percent (\$1.6 million) of that was for other professional services. Payroll and benefits and furniture and equipment were the next largest amounts spent from the Fund.

In fiscal year 2001, the Fund was appropriated \$3.8 million. The Fund had \$231,805 remaining unspent at end of the fiscal year. The Fund's committed lapse totaled \$338,479.

Five-Year Trend Analysis

From fiscal year 1997 to 2001, the fund balance increased (see table below). The major source of revenue for the Fund comes from collected court costs. Over the past five years, revenue has more than doubled. Expenditures have been increasing at approximately the same rate as revenues.

Fiscal Year	Beginning Fund Balance	Revenues from Court Costs	Federal Funds	Other	Total Available Funds	Total Expenditures	Ending Fund Balance
1997	\$ 1,149,125	\$ 2,009,387	\$ —	\$ 965	\$ 3,159,477	\$ 1,991,691	\$ 1,167,786
1998	\$ 1,167,786	\$ 2,764,806	\$ —	\$ 780	\$ 3,933,372	\$ 2,508,810	\$ 1,424,562
1999	\$ 1,424,562	\$ 3,709,141	\$ —	\$ 595	\$ 5,134,298	\$ 2,953,807	\$ 2,180,491
2000	\$ 2,180,491	\$ 4,060,811	\$ —	\$ 24	\$ 6,241,326	\$ 3,554,836	\$ 2,686,490
2001	\$ 2,686,490	\$ 4,280,727	\$ —	\$ 598	\$ 6,967,815	\$ 3,874,126	\$ 3,093,689

These expenditures are from the Uniform Statewide Accounting System as of the end of fiscal year 2001. Correcting entries have been removed to ensure that revenues and expenditures are not overstated.

Chapter 3.11

Abused Children's Counseling Fund (No Administering Agency)

Purpose, Source, and Spending Authority of the Fund

Senate Bill 1175, 71st Legislature, created the Fund. The Central Education Agency was to use the fees to pay for counseling for abused children through school-based programs in a minimum of 16 school districts. Senates Bill 7, 73rd Legislature, repealed the counseling program and abolished the Central Education Agency.

Fund moneys are collected as part of consolidated court costs. The Fund receives .02 percent of all court costs assessed for criminal activities. Local entities are allowed to keep 10 percent of the money collected if they remit court costs on time to the Comptroller of Public Accounts.

The fees deposited in the Abused Children's Counseling Fund (Fund) are currently being allocated to the General Revenue Fund and have no designated purpose or administering agency. Once the fees are deposited into the General Revenue Fund, the expenditures cannot be traced. There were no appropriations designated from this fund.

New Court Costs and Fees

The following are court costs and fees that were created in fiscal year 2002. Therefore, there is no information available on the revenues and expenditures for these court cost and fees.

State Highway Fund (6) - Department of Public Safety

Purpose, Source, and Spending Authority of the Fund

Effective September 1, 2001, Senate Bill 638, 77th Legislature, added a new court cost revenue source for the State Highway Fund for the administration of the DNA database. The State Highway Fund has many sources of revenues and purposes.

This source of revenue comes from court costs assessed to individuals who are convicted of criminal activities and are required to provide a DNA sample. The Fund receives \$87.50 from individuals who are convicted of felonies and \$17.50 from individuals who are convicted of misdemeanors. Local entities are allowed to keep 10 percent of the money collected if they remit court costs on time to the Comptroller of Public Accounts.

Fair Defense Fund (5073) - Task Force on Indigent Defense

Purpose, Source, and Spending Authority of the Fund

Effective January 1, 2002, Senate Bill 7, 77th Legislature, created the Fair Defense Fund (Fund) to provide defense to indigent persons. Fund moneys are collected as part of the consolidated court costs. The Fund receives 13.98 percent of all court costs assessed for criminal activities. Local entities are allowed to keep 10 percent of the money collected if they remit court costs on time to the Comptroller of Public Accounts. These funds were assigned to the General Revenue Fund. This account can only be appropriated to the Task Force on Indigent Defense, which is a standing committee of the Texas Judicial Council.

Correctional Management Institute and Criminal Justice Center Fund (5083) - Sam Houston State University

Purpose, Source, and Spending Authority of the Fund

Effective September 1, 2001, Senate Bill 1421, 77th Legislature, created the Correctional Management Institute of Texas and Criminal Justice Center Fund to support the Institute. It develops and delivers professional education, management development, and training programs for personnel in juvenile community agencies, adult community agencies, and institutional corrections agencies. These programs are unrelated to law enforcement. The Institute and Center are located at Sam Houston State University. A \$.50 court cost is assessed for criminal activities to generate revenue for this fund. Local entities are allowed to keep 10 percent of the money collected if they remit court costs on time to the Comptroller of Public Accounts.

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Table of Court Costs and Fees

State and local governmental entities work together to collect the court costs. The tables beginning on page 66 describe the court costs and fees remitted to state and local treasuries.

The State Court Costs and Fees chart includes only those court costs and fees for which a portion may be remitted to the state. It does not include restitution, repayments, reimbursements, punishment enhancements, or fees remitted to state employees which are not court-related. It also does not include interest on collected funds.

The State Court Costs and Fees chart lists the funds or accounts into which court costs are remitted across the column headings. The rows represent offenses committed and additional fees or court costs assessed under certain circumstances.

Included in the chart are multiple columns showing the “Consolidated Court Cost.” This is a single court cost (\$17, \$40, or \$80 depending on the offense) which is distributed among several state funds. The first column labeled “Consolidated Court Cost” contains the fee charged to defendants. The nine columns that follow show the percentage allocated to each fund. These costs are not double-counted in the state total.

The Local Court Costs and Fees Chart includes crime-related court costs and fees. The column headings indicate the court in which the crime is adjudicated. The rows indicate the crime and any circumstances that might increase the fee. Justice and municipal courts each have two columns because some localities adopted ordinances that add fees. The fees in these columns may be added together to calculate the total fee if the court is in a locale that has adopted these ordinances.

The three examples that follow show how court costs would be assessed given certain circumstances.

Example A:

A person is convicted of passing a school bus (Transportation Code, Title 7, Subtitle C, Section 545.066). This offense is a class C misdemeanor with a fine not to exceed \$1,000. The case is tried in a justice court of a county with a population of more than 3.3 million. All necessary ordinances for the county have been passed to allow the maximum collection of court costs and fees. The person pays at least a portion of the fine, court cost, or restitution 31 or more days after the judgment is entered. A written notice to appear is issued by a state peace officer.

Total Court Costs and Fees assessed would be:		
State Court Costs	\$	60.00
State Arrest Fee	\$	1.00
State Time Payment	\$	12.50
Local Court Costs	\$	10.00
Local Time Payment	\$	12.50
Local Transaction Fee	\$	2.00
Local Arrest Fee	\$	4.00
Total Court Costs	\$	102.00
Potential Fine	\$	<= 1000.00

Example B:

A person is convicted of Parent Contributing to Truancy (Education Code, Section 25.093). The case is tried in a municipal court. This offense is a class C misdemeanor punishable by a fine not to exceed \$500. A written notice to appear is issued by a state peace officer.

Total Court Costs and Fees assessed would be:		
State Court Costs	\$	40.00
State Arrest Fee	\$	1.00
Local Court Costs	\$	20.00
Local Transaction Fee	\$	2.00
Local Arrest Fee	\$	4.00
Local Services of Prosecutors Fee	\$	25.00
Total Court Costs	\$	92.00
Potential Fine	\$	<= 500.00

Example C:

A person is convicted of Aggravated Sexual Assault. This case is tried in a district court. This offense is a first-degree felony, which requires DNA testing, and is punishable by imprisonment and a fine not to exceed \$10,000. A jury trial was requested. Arrest and Warrant Fees were also assessed for performance by a state peace officer. Two witnesses were summoned to testify at the trial.

Total Court Costs and Fees assessed would be:		
State Court Costs	\$	\$383.00
State Arrest Fees	\$	\$1.00
State Warrant Fees	\$	\$10.00
Local Court Costs	\$	\$65.00
Local Arrest Fees	\$	\$4.00
Local Warrant Fees	\$	\$40.00
Local Summoning a Jury Fees	\$	\$5.00
Local Jury Trial Request Fees	\$	\$20.00
Local Summoning of Witness Fees	\$	\$10.00
Local Transaction Fee	\$	\$2.00
Total Court Costs	\$	\$540.00
Potential Fine (in addition to jail)	\$	<= \$10,000.00

State Court Costs and Fees (See legend on page 68 for explanation of footnotes)	Total State	Judicial and Court Personnel Training ^{1, FF}	Compensation to Victims of Crime ^{1, LL}	Consolidated Court Costs ^{BB, 8}	Consolidated				
					Abused Children's Counseling (0.02%) ^{1, 10, BB}	Breath Alcohol Testing (1.28%) ^{1, BB}	Comprehensive Rehabilitation (12.37%) ^{1, BB}	Crime Stoppers Assistance (0.60%) ^{1, BB}	Law Enforcement Management Institute (5.04%) ^{1, BB}
Municipal Ordinances									
Municipal Offenses (Other than Parking and Pedestrian)									
Punishable by a fine of \$200 or less	\$ 40.00	\$ 2.00	\$ 15.00	\$ 17.00	\$ 0.00	\$ 0.22	\$ 2.10	\$ 0.10	\$ 0.86
Punishable by a fine of \$201–\$500	\$ 60.00	\$ 2.00	\$ 35.00	\$ 17.00	\$ 0.00	\$ 0.22	\$ 2.10	\$ 0.10	\$ 0.86
Punishable by a fine of more than \$500	\$ 83.00	\$ 2.00	\$ 35.00	\$ 40.00	\$ 0.01	\$ 0.51	\$ 4.95	\$ 0.24	\$ 2.02
Education Code									
Sec. 25.093–Parent Contributing to Truancy & Sec. 25.094–Failure to Attend School	\$ 40.00	\$ 2.00	\$ 15.00	\$ 17.00	\$ 0.00	\$ 0.22	\$ 2.10	\$ 0.10	\$ 0.86
Transportation Code, Title 7, Subtitle C (Rules of the Road) (Other than Parking and Pedestrian)									
Sec. 545.066–Passing a School Bus	\$ 60.00	\$ 2.00	\$ 35.00	\$ 17.00	\$ 0.00	\$ 0.22	\$ 2.10	\$ 0.10	\$ 0.86
Other Class C misdemeanors (in a school crossing zone)	\$ 40.00	\$ 2.00	\$ 15.00	\$ 17.00	\$ 0.00	\$ 0.22	\$ 2.10	\$ 0.10	\$ 0.86
Other Class C misdemeanors (outside a school crossing zone)	\$ 40.00	\$ 2.00	\$ 15.00	\$ 17.00	\$ 0.00	\$ 0.22	\$ 2.10	\$ 0.10	\$ 0.86
Class A/B misdemeanors	\$ 83.00	\$ 2.00	\$ 35.00	\$ 40.00	\$ 0.01	\$ 0.51	\$ 4.95	\$ 0.24	\$ 2.02
All Other Misdemeanors									
Class C punishable by a fine of \$500 or less	\$ 40.00	\$ 2.00	\$ 15.00	\$ 17.00	\$ 0.00	\$ 0.22	\$ 2.10	\$ 0.10	\$ 0.86
Class C punishable by a fine of more than \$500	\$ 60.00	\$ 2.00	\$ 35.00	\$ 17.00	\$ 0.00	\$ 0.22	\$ 2.10	\$ 0.10	\$ 0.86
DNA Misdemeanors (Class A/B)	\$ 133.00	\$ 2.00	\$ 35.00	\$ 40.00	\$ 0.01	\$ 0.51	\$ 4.95	\$ 0.24	\$ 2.02
Class A/B misdemeanors	\$ 83.00	\$ 2.00	\$ 35.00	\$ 40.00	\$ 0.01	\$ 0.51	\$ 4.95	\$ 0.24	\$ 2.02
Felonies									
DNA Felonies	\$ 383.00	\$ 2.00	\$ 45.00	\$ 80.00	\$ 0.02	\$ 1.02	\$ 9.90	\$ 0.48	\$ 4.03
Other Felonies	\$ 133.00	\$ 2.00	\$ 45.00	\$ 80.00	\$ 0.02	\$ 1.02	\$ 9.90	\$ 0.48	\$ 4.03
Court Costs/Fees Added to the Above Under Certain Circumstances									
Arrest Fees (services performed by state peace officer) ^{2, F}	\$ 1.00								
Warrant Fees (services performed by state peace officer) ^{2, F}	\$ 10.00								
Failure to Appear ^{6, GG}	\$ 20.00								
Time Payment ^{3, DD}	\$ 12.50								
Juvenile Probation Diversion Fee ^{1, HH}	\$ 20.00								
Judicial Fund Court Cost (statutory/constitutional county courts only) ^{CC}	\$ 15.00								
Parole/Probation/Community Supervision Fees									
All Offenses (monthly) ^{TT}	\$ 18.00								
Plus: Parole/Mandatory Supervision post-release for Penal Code Sec. 21.08, 21.11, 22.011, 22.021, 25.02, 43.25, & 43.26 (per month) ^{KK}	\$ 5.00								
Substance Abuse Aftercare (if applicable) ^{7, JJ}	variable								
Civil Court Costs/Fees									
District Clerk Filing Fees (district courts ONLY) ^{CC}	\$ 40.00								
Filing Fees for Legal Services of Indigents Supreme Courts & Courts of Appeals ^{EE}	\$ 25.00								
District Courts (other than Divorce & Family Law) ^{4, EE}	\$ 10.00								
District Courts (Divorce & Family Law), Statutory County Courts, & Constitutional County Courts ^{4, EE}	\$ 5.00								
Justice of the Peace ^{4, EE}	\$ 2.00								
Fees Collected by Court of Appeals Clerks ^{5, RR, SS}	variable								
Administrative Court Costs/Fees									
Birth Certificate Fee ^{UU, YY}	\$ 1.80								
Marriage License Fee ^{WW, XX, ZZ}	\$ 15.50								
Declaration of Informal Marriage Fee ^{XX}	\$ 12.50								

Court Costs												
Law Enforcement Officer Standards and Education (11.63%) ^{1, BB}	Operators and Chauffeurs License (25.90%) ^{1, BB}	Fair Defense (13.98%) ^{1, BB}	Criminal Justice Planning (29.18%) ^{1, 9, PP, BB}	Fugitive Apprehension ^{1, AA}	Juvenile Crime and Delinquency ^{1, BB}	Correctional Management Institute and Criminal Justice Center ^{1, BB}	State Highway Fund ^{PP}	Judicial Fund	Child Abuse and Neglect Prevention Fund	Sexual Assault Program	General Revenue Fund	
Municipal Ordinances												
Municipal Offenses												
\$ 1.98	\$ 4.40	\$ 2.38	\$ 4.96	\$ 5.00	\$.50	\$.50						
\$ 1.98	\$ 4.40	\$ 2.38	\$ 4.96	\$ 5.00	\$.50	\$.50						
\$ 4.65	\$ 10.36	\$ 5.59	\$ 11.67	\$ 5.00	\$.50	\$.50						
State Law												
Education Code												
\$ 1.98	\$ 4.40	\$ 2.38	\$ 4.96	\$ 5.00	\$.50	\$.50						
Transportation Code, Title 7, Subtitle C (Rules of the Road)												
\$ 1.98	\$ 4.40	\$ 2.38	\$ 4.96	\$ 5.00	\$.50	\$.50						
\$ 1.98	\$ 4.40	\$ 2.38	\$ 4.96	\$ 5.00	\$.50	\$.50						
\$ 1.98	\$ 4.40	\$ 2.38	\$ 4.96	\$ 5.00	\$.50	\$.50						
\$ 4.65	\$ 10.36	\$ 5.59	\$ 11.67	\$ 5.00	\$.50	\$.50						
All Other Misdemeanors												
\$ 1.98	\$ 4.40	\$ 2.38	\$ 4.96	\$ 5.00	\$.50	\$.50						
\$ 1.98	\$ 4.40	\$ 2.38	\$ 4.96	\$ 5.00	\$.50	\$.50						
\$ 4.65	\$ 10.36	\$ 5.59	\$ 44.17	\$ 5.00	\$.50	\$.50	\$ 17.50					
\$ 4.65	\$ 10.36	\$ 5.59	\$ 11.67	\$ 5.00	\$.50	\$.50						
Felonies												
\$ 9.30	\$ 20.72	\$ 11.18	\$ 185.84	\$ 5.00	\$.50	\$.50	\$ 87.50					
\$ 9.30	\$ 20.72	\$ 11.18	\$ 23.34	\$ 5.00	\$.50	\$.50						
Court Costs/Fees Added to the Above Under Certain Circumstances												
											\$ 1.00	
											\$ 10.00	
											\$ 20.00	
											\$ 12.50	
											\$ 20.00	
								\$ 15.00				
Parole/Probation/Community Supervision Fees												
											\$ 10.00	
									\$ 5.00			
											variable	
Civil Court Costs/Fees												
							\$ 40.00					
							\$ 25.00					
							\$ 10.00					
							\$ 5.00					
							\$ 2.00					
							variable					
Administrative Court Costs/Fees												
											\$ 1.80	
								\$ 12.50			\$ 3.00	
								\$ 12.50				

Legend to State Court Costs and Fees	
1	State receives 90% if funds are reported and remitted on time; 100% of funds if not reported and remitted on time. Remainder of funds retained locally. Table assumes 100% remittance to state.
2	State receives 20% of fee when service is performed by peace officers employed by the state. The remainder is retained locally. If service is performed by local peace officers, 100% is retained locally. All interest is retained locally. Table assumes state peace officers performed service.
3	State receives 50% of fee. The remainder is retained locally.
4	State receives between 95% and 100% of fee. County may retain 5% as a collection expense.
5	For civil cases before the Court of Appeals, the clerk shall collect various fees for filing cases, petitions, and motions; administering oaths; making photocopies, comparing documents; and providing other official services. Fees range from \$1 per page to \$100 for a filing. Half of the fee goes to the judicial fund, and half goes to the Judicial and Court Personnel Training fund.
6	Two-thirds of fee goes to the state (\$20). The remainder is retained locally (\$10).
7	If the judge requires the defendant to serve a term of confinement and treatment in a substance abuse treatment facility as a condition of community supervision, a fee is required for the residential aftercare (amount determined by judge). The fee is limited to not more than 25% of the defendant's gross income while participating in residential aftercare.
8	The felony portion of the consolidated court cost is \$80. However, due to rounding of the fractional cents, the breakdown by fee totals \$79.99 on this table.
9	The Criminal Justice Planning Fund receives two different court costs: 29.18% of the Consolidated Court Cost and the full amount of the DNA testing fee (\$50 or \$250).
10	The Abused Children's Counseling fee is now remitted to the General Revenue Fund.
F	Code of Criminal Procedure 102.011
AA	Code of Criminal Procedure 102.019
BB	Code of Criminal Procedure 102.075
CC	Texas Government Code, Section 51.701 - 51.704
DD	Texas Government Code, Section 51.921
EE	Texas Government Code, Section 51.941
FF	Texas Government Code, Section 56.001
GG	Transportation Code 706.006 - 706.007
HH	Family Code 54.0411
JJ	Code of Criminal Procedure Article 42.12 Section 14
KK	Code of Criminal Procedure Article 42.12 Section 19
LL	Code of Criminal Procedure 56.55
PP	Code of Criminal Procedure 102.020
RR	Texas Government Code, Section 51.207
SS	Texas Government Code, Section 56.002
TT	Texas Government Code, Section 508.182
UU	Local Government Code 118.015
WW	Local Government Code 118.018
XX	Local Government Code 118.022
YY	HB 3050, 74th Legislature
ZZ	HB 3084, 76th Legislature

Local Court Costs and Fees (See legend on page 71 for explanation of footnotes)	Local Fee Depends on Type of Court				
	Municipal - all ^{7, G, N}	Municipal - if governing body has adopted appropriate ordinance, then add: ^{8, G, I, K}	Justice ^{9, G, I, N}	Justice - if Commissioner's Court has passed appropriate order and/or the county meets population requirements, then add: ^{10, X}	County and District Clerks ^{11, B, C, G, I, N}
Municipal Ordinances					
Parking authorized by Transport. Code Sec. 542.202-542.203		\$ ≤5.00			
State Law					
Education Code					
Sec. 25.093—Parent Contributing to Truancy and Sec. 25.094—Failure to Attend School	\$ 20.00	\$ ≤7.00	\$ 23.00	\$ ≤4.00	\$ 83.00
Transportation Code, Title 7, Subtitle C (Rules of the Road)					
Parking and pedestrian (in a school crossing zone)	\$ 28.00	\$ ≤7.00	\$ 6.00	\$ ≤4.00	\$ 66.00
Parking and pedestrian (outside a school crossing zone)	\$ 3.00	\$ ≤7.00	\$ 6.00	\$ ≤4.00	\$ 66.00
Section 545.066 passing a school bus	\$ 28.00	\$ ≤7.00	\$ 6.00	\$ ≤4.00	\$ 66.00
Other (in a school crossing zone)	\$ 28.00	\$ ≤7.00	\$ 6.00	\$ ≤4.00	\$ 66.00
Other (outside a school crossing zone)	\$ 3.00	\$ ≤7.00	\$ 6.00	\$ ≤4.00	\$ 66.00
All Other Misdemeanors					
Class C punishable by a fine of \$500 or less		\$ ≤7.00	\$ 3.00	\$ ≤4.00	\$ 63.00
Class C punishable by a fine of more than \$500		\$ ≤7.00	\$ 3.00	\$ ≤4.00	\$ 63.00
DNA Misdemeanors (Class A/B)					\$ 63.00
Class A/B					\$ 63.00
Felonies					
DNA Felonies					\$ 65.00
Other Felonies					\$ 65.00
Court Costs/Fees Added to the above under certain circumstances					
Arrest Fees (services performed by state peace officer) ^{2, F}	\$ 4.00		\$ 4.00		\$ 4.00
Warrant Fees (services performed by state peace officer) ^{2, F}	\$ 40.00		\$ 40.00		\$ 40.00
Other Services performed by peace officer^F					
Summoning a witness ^F	\$ 5.00		\$ 5.00		\$ 5.00
Serving a writ not otherwise listed in CCP Article 102.011 ^F	\$ 35.00		\$ 35.00		\$ 35.00
Taking, approving, and if necessary, returning a bond to the courthouse ^F	\$ 10.00		\$ 10.00		\$ 10.00
Commitment or release ^F	\$ 5.00		\$ 5.00		\$ 5.00
Summoning a jury ^F	\$ 5.00		\$ 5.00		\$ 5.00
Reasonable expenses for meals, lodging, and transportation under certain circumstances ^F	variable		variable		variable
Costs of overtime paid for time spent related to testifying in trials ^F	variable		variable		variable
Attendance of a prisoner in a habeas corpus case if prisoner remanded to custody or held to bail (per day) ^F	\$ 8.00		\$ 8.00		\$ 8.00
Conveying a witness and actual necessary expenses for travel (per day) ^F					\$ 10.00 + variable
Sheriff/constable - serves process & attends examining trial ^F	\$ ≤5.00		\$ ≤5.00		\$ ≤5.00
Failure to Appear ^{GG}	\$ 10.00		\$ 10.00		\$ 10.00
Special Expense Warrant Fee ^{6, W}		\$ ≤25.00			
Time Payment ^{3, DD}	\$ 12.50		\$ 12.50		\$ 12.50
Services of Prosecutors (misdemeanors & gambling offenses) ^D					\$ 25.00

Local Court Costs and Fees (See legend on page 71 for explanation of footnotes)	Local Fee Depends on Type of Court				
	Municipal - all ^{7, G, N}	Municipal - if governing body has adopted appropriate ordinance, then add: ^{8, G, I, K}	Justice ^{9, G, I, N}	Justice - if Commissioner's Court has passed appropriate order and/or the county meets population requirements, then add: ^{10, X}	County and District Clerks ^{11, B, C, G, I, N}
Graffiti Eradication Fee ^J					\$ 5.00
Breath Alcohol Testing Court Cost ^{1, H}					\$ 22.50
Visual Recording Fee ^L					\$ 15.00
Cost of Evaluation - Court Cost ^L					variable
Transaction Administrative Fee (per transaction) ^{M, E}			\$ ≤2.00		\$ ≤2.00
Parole/Probation/Community Supervision Fees					
Sex Offenders (Code of Criminal Procedure, Chapter 62): Cost of newspaper notice ^{MM}	variable		variable		variable
Administrative Court Costs/Fees - Dismissal of Charges					
Driving with an Expired Motor Vehicle Registration ^Q	\$ ≤10.00		\$ ≤10.00		
Driving with an Expired Driver's License ^R	\$ ≤10.00		\$ ≤10.00		
Driving with an Expired Inspection Certificate ^P	\$ ≤10.00		\$ ≤10.00		
Requesting a Driving Safety Course ^U	\$ ≤10.00		\$ ≤10.00		
Teen Court Fees ^{4, V}	\$10.00 - \$20.00		\$10.00 - \$20.00		
Suspension of Sentence and Deferral of Final Disposition Special Expense ^T	variable - not to exceed fine assessed		variable - not to exceed fine assessed		
Administrative Court Costs/Fees - Jury Trials					
Jury & Failure to Withdraw Jury Trial Request Fees ^{12, A}	\$ 3.00		\$ 3.00		\$ 20.00
Jury Trial Failure to Appear ^{5, S}	variable		variable		
This table lists only crime-related fees and court costs. It does not include court-ordered reimbursements, repayments, restitution, equipment required to be purchased by defendants, parole/probation/community supervision fees, civil fees, or administrative fees not related to crimes. It does not include collection fees for past-due accounts. This table also assumes that no enhancements to punishments apply and does not address interest on collected funds.					

Legend to Local Court Costs	
1	If the offense is under Chapter 49 of the Penal Code (Intoxication and Alcoholic Beverage Offenses) and the county maintains a certified breath alcohol testing program but does not use an employee of the Department of Public Safety, the county gets \$22.50 of the consolidated court cost (see State Fees table).
2	State receives 20% of fee when service is performed by peace officers employed by the state. The remainder is retained locally. If service is performed by local peace officers, 100% of fee is retained locally. Table assumes state peace officers performed service.
3	State receives 50% of fee if reported and remitted on-time; the remainder is retained locally.
4	Administrative fee ≤\$10 is retained locally. Program Fee not to exceed \$10 is paid to the teen court program.
5	Cost of impaneling the jury, including postage, supplies, equipment usage, and employee time.
6	Issuance and service of a warrant for an offense under Penal Code, Section 38.10 - Failure to Appear; issuance and service of a warrant for an offense under Transportation Code, Section 543.009 - Violation of Promise to Appear. Issuance and service (execution) of the warrant causes the fee to be due. Fee applies whether or not there is a conviction.
7	Includes Traffic (\$3), and Child Safety (non-municipal offenses: \$20-\$25)
8	Includes Municipal Court Technology Fee (≤\$4), Child Safety (Municipal Offenses: ≤\$5), and Municipal Court Bldg. Security (\$3)
9	Includes Child Safety (\$20), Traffic (\$3), and Courthouse Security (\$3)
10	Includes Justice Court Technology Fee (\$4).
11	Includes Child Safety Fee (\$20), Clerk's Fee(\$40), Recording Fee (\$20), Courthouse Security Fee (\$5 felony, \$3 other), and Traffic (\$3)
12	Failure to withdraw request fee does not apply in county/district court
A	Code of Criminal Procedure 102.004
B	Code of Criminal Procedure 102.005
C	Code of Criminal Procedure 102.005
D	Code of Criminal Procedure 102.008
E	Code of Criminal Procedure 103.003
F	Code of Criminal Procedure 102.011
G	Code of Criminal Procedure 102.014
H	Code of Criminal Procedure 102.016
I	Code of Criminal Procedure 102.017
J	Code of Criminal Procedure 102.0171
K	Code of Criminal Procedure 102.0172
L	Code of Criminal Procedure 102.018
M	Code of Criminal Procedure 102.072
N	Transportation Code 542.403
P	Transportation Code 548.605
Q	Transportation Code 502.407
R	Transportation Code 521.026
S	Code of Criminal Procedure 45.026
T	Code of Criminal Procedure 45.051
U	Code of Criminal Procedure 45.0511
V	Code of Criminal Procedure 45.052
W	Code of Criminal Procedure 45.203
X	Code of Criminal Procedure 102.0173
DD	Government Code 51.921
GG	Transportation Code 706.006 - 706.007
MM	Code of Criminal Procedure Art. 42.12 Section 19

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Appendices

Appendix 1

Objectives, Scope, and Methodology

Appendix 1.1

Objective

The objectives of this audit were identified in Senate Bill 1377, 77th Legislature. The bill states that the state auditor may review each fund and account into which money collected as a court cost is directed by law to be deposited to determine whether:

- The money is being used for the purpose or purposes for which the money is collected.
- The amount of the court cost is appropriate, considering the purpose or purposes for which the cost is collected.

Appendix 1.2

Scope

For fiscal year 2001, the State Auditor's Office audited four agencies that administered eight funds and two fees. The agencies were the Office of the Attorney General, the Governor's Office, the Department of Public Safety, and the Children's Trust Fund Council of Texas. The Children's Trust Fund Council of Texas was abolished after fiscal year 2001, therefore, our fieldwork was conducted at the Department of Protective and Regulatory Services, which absorbed the program. We analyzed 10 additional funds. We also identified fees, based on our definition, and mapped the flow of the fees after they are remitted to the Comptroller. The funds were audited based on applicable statutes and legislation. We conducted a five-year trend analysis on the funds that had expenditures.

We audited the following funds and fees:

- Compensation to Victims of Crime Fund
- Family Trust Fund (Marriage License Fee)
- Sexual Assault Program Fund
- Criminal Justice Planning Fund
- Crime Stoppers Assistance Fund
- Operators and Chauffeurs License Fund
- Fugitive Apprehension Fund
- Failure to Appear Fee
- Breath Alcohol Testing Fund
- Child Abuse and Neglect Prevention Trust Fund

We analyzed the following funds:

- Judicial and Court Personnel Training Fund
- Judicial Fund
- Juvenile Crime and Delinquency Fund
- Law Enforcement Officer Standards and Education Fund
- Bill Blackwood Law Enforcement Management Institute Fund
- Comprehensive Rehabilitation Fund
- Abused Children’s Counseling Fund
- Fair Defense Fund
- State Highway Fund
- Correctional Management Institute and Criminal Justice Center Fund

Appendix 1.3

Methodology

The State Auditor’s Office used the following procedures to review the funds for compliance with statutes:

- Developed definition of court costs (see page i for definition).
- Funds were stratified into two groups based on whether the fee was deposited into a dedicated fund or special revenue account or whether the fee was deposited into the general revenue account. We performed a risk assessment on fees deposited in a dedicated fund or special revenue account based on the revenue collected, expenditures, and fund balance. Funds were selected for audit based on this risk assessment.
- The remaining funds were analyzed to identify the revenues and expenditures that flow through the fund. The purpose of the fund was also identified and the spending authority of the administering agency.
- The fees that were deposited in the general revenue account were analyzed to identify how they were used by the State.
- We researched the fees identified in our definition of court costs and created a chart of offenses and identified the fees charged and where the fees should be deposited.
- We analyzed the funds and created the fee table to address the second objective by allowing the reader to form conclusions based on the information provided.
- For the funds where we conducted an on-site visit, we performed the following work to determine if the funds were spent in accordance with the purpose for which they were collected:
 - We identified the purpose in statute and performed test work to ensure that the expenditures were for the identified purpose.

- We identified required procedures listed in statute and tested to determine whether the agencies were performing those procedures.
- We tested to ensure that grantees abided by contract requirements and had sufficient supporting documentation for expenditures. We used statistical analysis to project testing results.
- We mapped the processes related to the expenditure of court costs and identified whether computer systems were important to the process.
- We wrote findings on agencies that did not ensure the funds were being spent for the purpose identified in statute.

Other Information

We conducted audit fieldwork from December 2001 through March 2002. We performed this audit in accordance with generally accepted government auditing standards.

The following members of the State Auditor's staff performed the work:

- Verma L. Elliott, MBA (Project Manager)
- Anthony Patrick, MBA (Assistant Project Manager)
- Ileana Barboza, MBA (Assistant Project Manager)
- Courtney Ambres-Wade
- Natalia Boston, MPAff
- Adriana Buford, CPA, CIA
- Lori Field
- Donna G. Hopson, CPA
- William Hurley, CPA, MBA
- Tressie B. Landry
- Gary Leach, MBA, CQA
- Nicole Merridith-Marrero, MBA
- Joseph Mungai
- Jenay Oliphant
- Cesar Saldivar
- Susan C. Van Hoozer, MBA
- Menza S. Webster
- J. Scott Killingsworth, CIA, CGFM (Quality Control Reviewer)
- Joanna B. Peavy, CPA (Audit Manager)
- Frank N. Vito, CPA (Director)

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Court Cost Statute

The following is Senate Bill 1377, 77th Legislature, which gives the State Auditor's Office authority to audit court costs.

AN ACT relating to the authority of the state auditor to review the use of money collected as court costs.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 321, Government Code, is amended by adding Section 321.017 to read as follows:

Sec. 321.017. REVIEW AND OVERSIGHT OF FUNDS AND ACCOUNTS RECEIVING COURT COSTS.

(a) The state auditor may review each fund and account into which money collected as a court cost is directed by law to be deposited to determine whether:

(1) the money is being used for the purpose or purposes for which the money is collected; and

(2) the amount of the court cost is appropriate, considering the purpose or purposes for which the cost is collected.

(b) The state auditor may perform reviews under this section as specified in the audit plan developed under Section 321.013.

(c) The state auditor shall make the findings of a review performed under this section available to the public and shall report the findings to the governor, the chief justice of the supreme court, the presiding judge of the court of criminal appeals, and the committee. The report may include the state auditor's recommendations for legislation or policy changes.

SECTION 2.

(a) This Act takes effect September 1, 2001.

(b) Notwithstanding Subsection (b), Section 321.017, Government Code, as added by this Act, the state auditor shall perform and complete a review described by Subsection (a) of that section and report the findings of the review before December 1, 2002.

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Copies of this report have been distributed to the following:

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The Honorable James E. "Pete" Laney, Speaker of the House, Chair
The Honorable Bill Ratliff, Lieutenant Governor, Vice Chair
The Honorable Rodney Ellis, Senate Finance Committee
The Honorable Florence Shapiro, Senate State Affairs Committee
The Honorable Robert Junell, House Appropriations Committee
The Honorable Rene O. Oliveira, House Ways and Means Committee

Office of the Governor

The Honorable Rick Perry, Governor
Michael McKinney, M.D., Chief of Staff
Mr. Ken Nicolas, Interim Director, Criminal Justice Division

Senate Finance Committee

Senate Jurisprudence Committee

Office of the Attorney General

The Honorable John Cornyn, Attorney General
Mr. Howard Baldwin, First Assistant Attorney General
Mr. Michael McCaul, Deputy Attorney General, Criminal Justice

Office of the Comptroller of Public Accounts

The Honorable Carole Keeton Rylander, Comptroller of Public Accounts
Mr. Billy Hamilton, Deputy Comptroller

Office of Court Administration

Mr. Jerry Benedict, Administrative Director

Commission on Law Enforcement Officer Standards and Education

Chair and Members of the Commission
Dr. D.C. Jim Dozier, Executive Director

Department of Protective and Regulatory Services

Chair and Members of the Texas Board of Protective and Regulatory Services
Mr. Thomas Chapmond, Executive Director

Department of Public Safety

Chair and Members of the Public Safety Commission
Colonel Thomas A. Davis, Director
Lieutenant Colonel David McEathron, Assistant Director

Prairie View A&M University

Dr. Charles A. Hines, President

Rehabilitation Commission

Chair and Members of the Commission
Mr. Vernon M. Arrell, Commissioner

Sam Houston State University

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Texas A&M University System

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Mr. Howard D. Graves, Chancellor

Texas State University System

Board of Regents
Mr. Lamar Urbanovsky, Chancellor



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