



**Oregon Department of Justice**  
Ellen F. Rosenblum, Attorney General

**2017 Joint Committee on Ways & Means  
Public Safety Subcommittee Presentation – Phase 2**  
May 22 & 23, 2017



# Department Priorities

- Quality legal services to state government
- Expanding legal representation for Department of Human Services caseworkers
- Preserving benefits for victims of crime
- Protecting Oregon consumers
- Protecting state resources



# Mission & Values

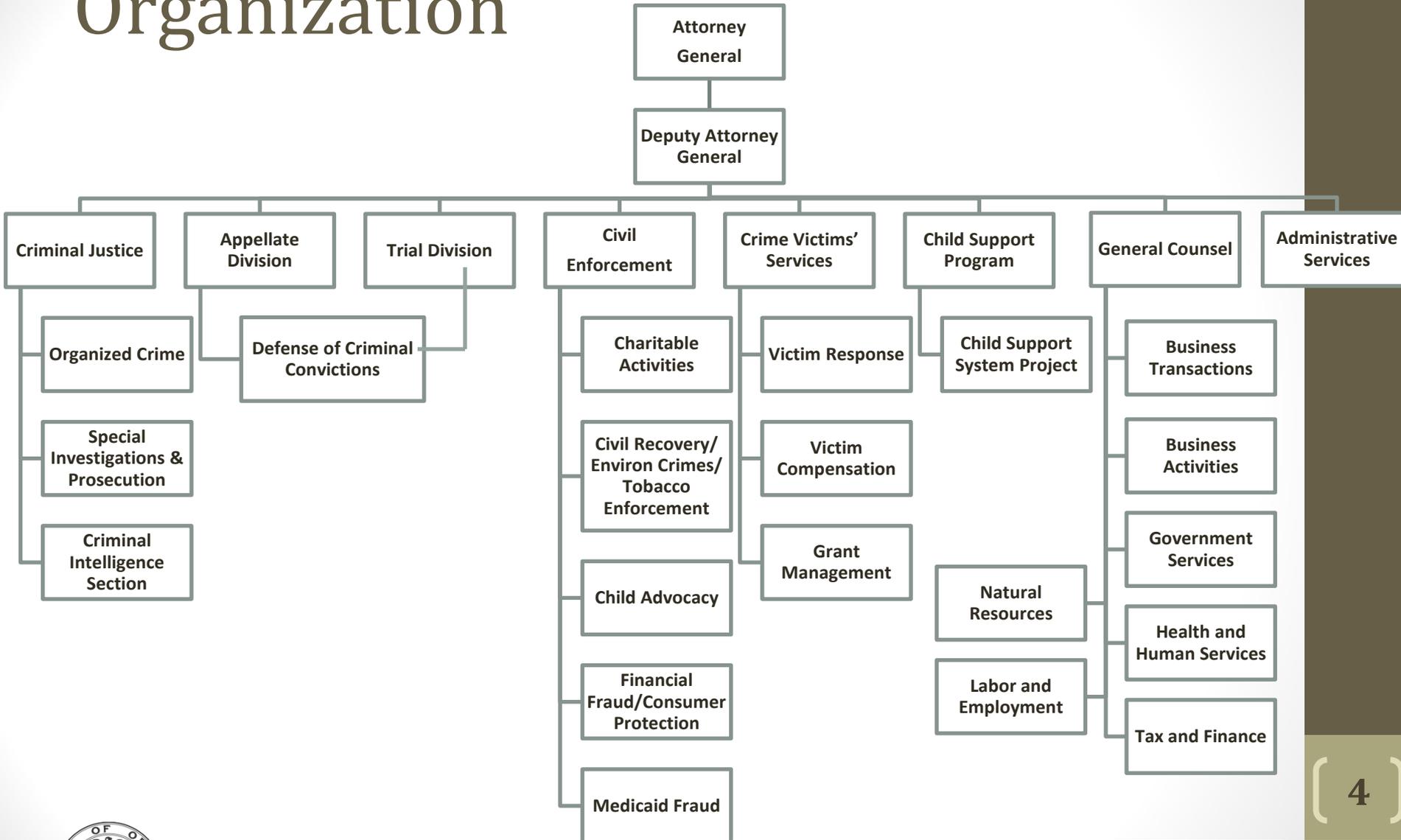
To serve state government and to support safe and healthy communities throughout Oregon by providing essential justice services.

We are dedicated to:

- Providing ethical, independent and high quality legal services to state government;
- Safeguarding consumers from fraud and unfair business practices;
- Fighting crime and helping crime victims;
- Advocating for vulnerable children;
- Supporting families through the collection of child support;
- Enforcing environmental protections;
- Defending the civil rights of all Oregonians; and
- Pursuing justice and upholding the rule of law.



# Organization



# Presentation topics

- Attorney General billing rate
- Criminal Justice Division functions
- General Counsel Division contract reviews
- Division of Child Support collections
- Key Performance Measures
- Budget reduction options
- Policy Option Packages and technical adjustments
- Pending legislation



# Billing Process and Rate Model Overview

- What is DOJ's statutory billing authority?
- What are DOJ's Legal Divisions?
- What is the Legal Fund?
- How does the billing process work?
- How does the Attorney General determine the Legal Services rate?
- What is the rate for 2017-19?



# DOJ's statutory billing authority

- **180.160 Charges for services to public agencies; rules.**
  - Provides that DOJ may charge agencies and other public bodies for rendering legal assistance.
- **180.170 Billing for services to public agencies.**
  - Provides that DOJ shall estimate biennial expenses in advance and invoice agencies and other public bodies for their share of these expenses. Provides for adjusting future invoices for prior differences between actual and estimated expenses.
- **The hourly billing rate is not set in statute. It is developed in conjunction with the development of the biennial budget.**
  - The rate is not final until the end-of-session omnibus budget bill.



# DOJ has seven “Legal Divisions”

- Legal Divisions:
  - Appellate (including Defense of Criminal Convictions)
  - Trial (including Defense of Criminal Convictions)
  - General Counsel
  - Administrative Services
  - Attorney General’s Office
  - Civil Enforcement – Legal
  - Criminal Justice – Legal
- Non-Legal Divisions:
  - Child Support
  - Crime Victims’ Services
  - Civil Enforcement – Non-Legal
  - Criminal Justice – Non-Legal

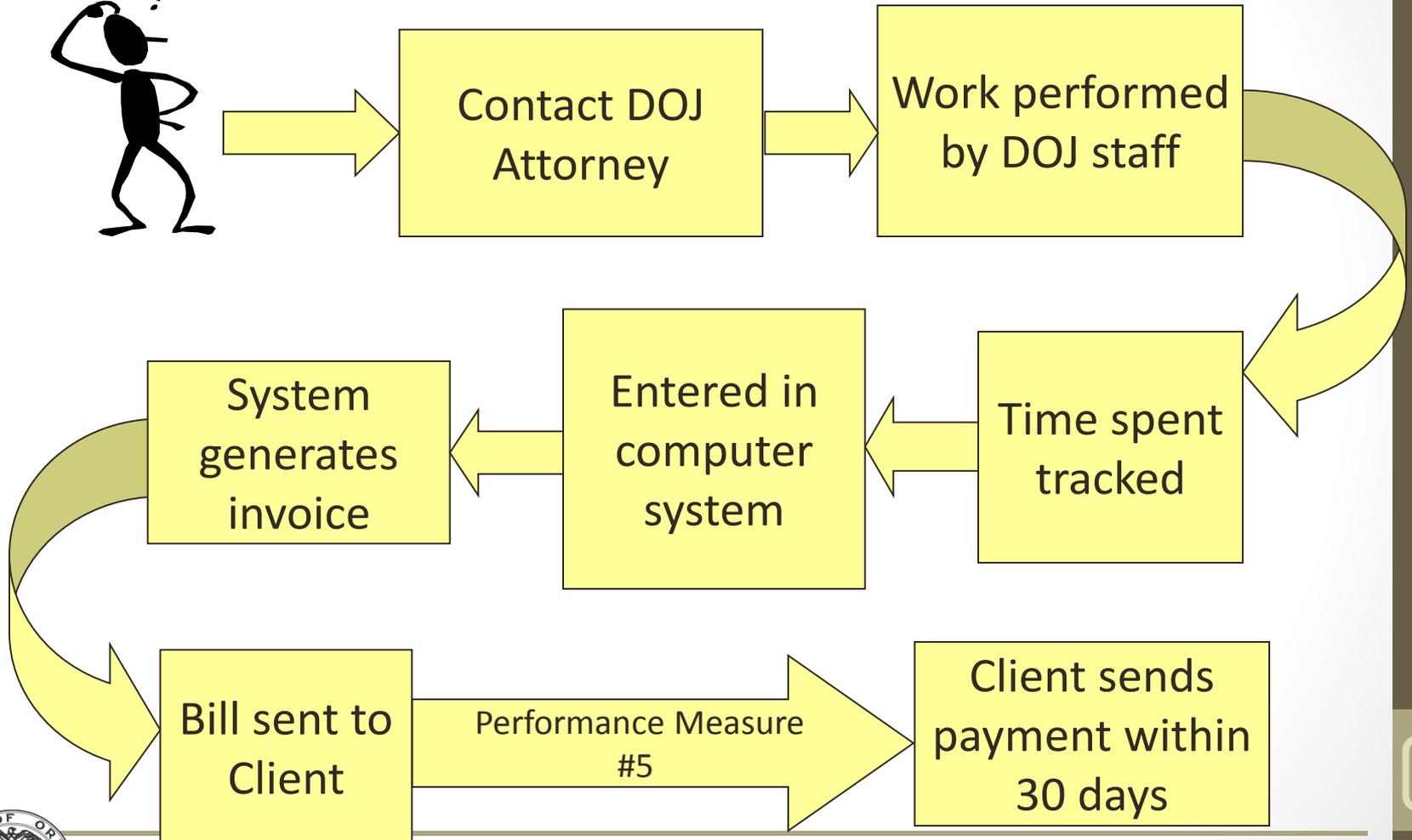
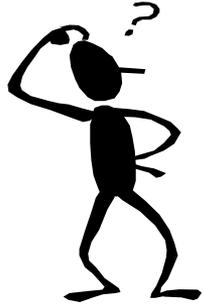


# What is the Legal Fund?

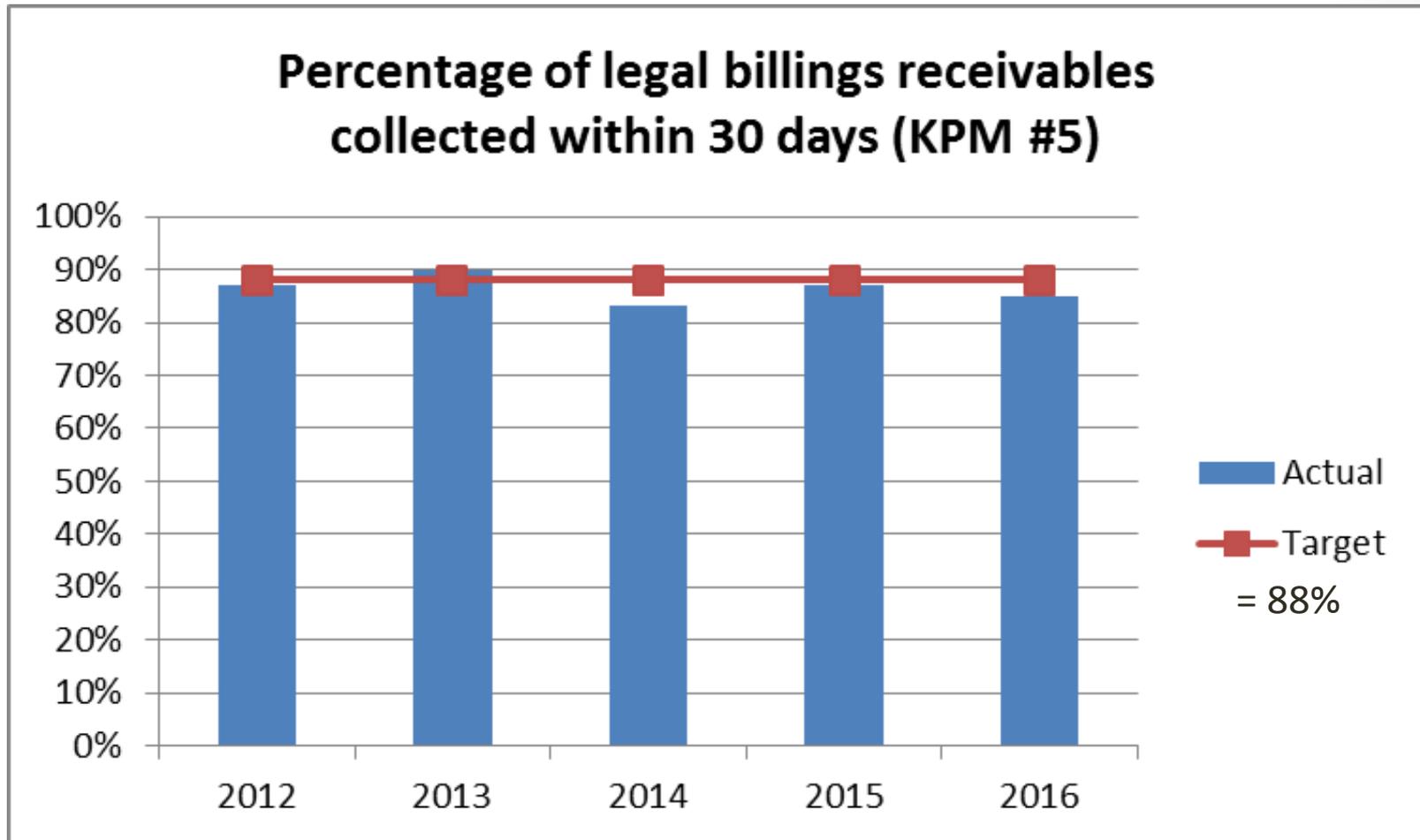
The Legal Fund is an internal service fund which records the revenues and expenses for providing Legal Services to state government.



# How does the billing process work?



# Billing process: receivables, KPM #5



# Billing process: external clients

- State Officers and Agencies
- Governor's Office
- Judicial Department
- Legislature
- Boards and Commissions



# Billing process: internal programs

- Defense of Criminal Convictions
- Consumer Protection Programs
- Organized Crime / District Attorney Assistance Program
- Any division that needs legal assistance from another division



# Alternative Billing Model

Flat fee for the biennium based on the agency's share of total legal billings over the prior three biennia. Paid quarterly.

- Current 19 participants:
  - Counselors & Therapists
  - Psychologist Examiners Board
  - Board of Accountancy
  - Board of Licensed Social Workers
  - Secretary of State Audits Division
  - Government Ethics Commission
  - Oregon Youth Authority
  - Chiropractic Examiners Board
  - Health Licensing Office
  - Naturopaths
  - Board of Medical Imaging
  - Board of Speech Pathology and Audiology
  - Veterinary Medical Examining Board
  - Board of Tax Practitioners
  - Board of Pharmacy
  - Physical Therapist Licensing Board
  - Appraiser Certification & Licensure Board
  - Occupational Therapy Licensing Board
  - DHS/OHA Shared Services



# Alternative Billing Model

- How it works:
  - 1. DOJ calculates flat rate for each client agency based on each client agency's share of DOJ's total legal billings for the prior three biennia.
  - 2. Client agency and DOJ mutually agree to flat rate billing; both sign an agreement.
  - 3. DOJ invoices client agency quarterly at the flat rate.
  - 4. DOJ maintains information on hours of legal services that client agency would have been billed under hourly billing model and provides that data to clients in their monthly statements.



# How does the Attorney General determine the Legal Rate?



# Calculation of Attorney General Rate

$$\text{Rate} = \frac{\text{Projected total cost of providing legal services}}{\text{Projected number of billable hours}}$$



# Variety of billers and rates

- DOJ's 2015-17 billing rates differ by type of biller:

<u>Biller type</u>	<u>Rate</u>	<u>FTE</u>	<u>Std. Hrs.</u>
• Attorneys	\$175/hr	201.90	3,200
• Honors Attys	\$175/hr	9.00	2,950
• Attys in Charge	\$175/hr	20.72	2,100
• Assist Attys in Chg	\$175/hr	10.57	2,400
• Administrator	\$175/hr	4.20	800
• Investigators	\$116/hr	18.45	2,755
• Paralegals	\$ 90/hr	52.31	2,620
• Law Clerks	\$ 55/hr	45.46	1,297
• Clerical	\$ 47/hr	7.00	1,702
• ADR Coordinator	\$ 96/hr	1.00	556



# Costs affecting the hourly billing rate

## Direct Costs

- Salaries and benefits for Legal Divisions

- Services and supplies for Legal Divisions

- Capital outlay for Legal Divisions

## Central Service Costs

- Administrative services related to Legal Divisions

## External Fixed Costs

- Costs assessed by State Government Service Charges attributable to the Legal Divisions



# Costs affecting the hourly billing rate

Significant Factor Affecting  
Rate Calculation:

Average Salary

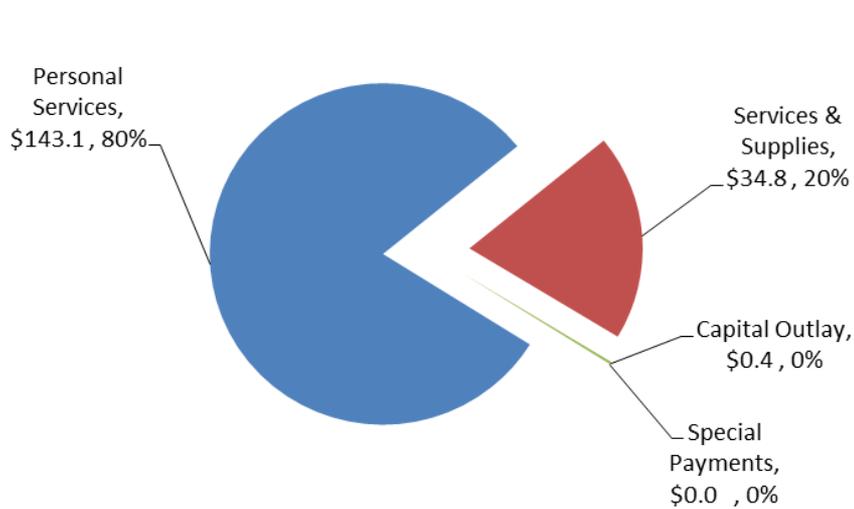
	<u>2015-17</u>	<u>2017-19</u>	<u>+%</u>
Senior Assistant Attorney General	\$10,377	\$11,537	+11.2
Assistant Attorney General	\$7,167	\$7,988	+11.5

Source: PICS Report PPDPLAGYCL



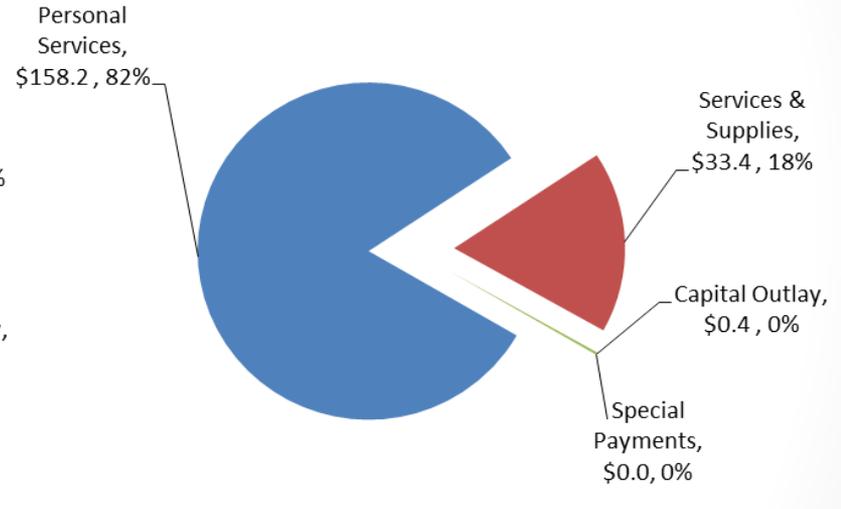
# Costs affecting the hourly billing rate - update

**2015-17 Legislatively Approved Budget**  
**Legal Expenditures by Category**  
 (\$ in Millions)



**Total Legal Expenses\***  
 \$178,390,933

**2017-19 Current Service Level Budget**  
**Legal Expenditures by Category**  
 (\$ in Millions)



**Total Legal Expenses\***  
 \$192,074,939

\*excludes Intra-agency charges



# Calculating the billing rate needed to provide legal services

2015-17 Legislatively Adopted Budget (LAB)

Changes to 2015-17 LAB (e.g., short session and E-boards)

Changes to 2017-19 (base adjustments and essential packages such as inflation and phase-outs)

Assumptions related to compensation (COLAs, flexible benefits, PERS rates)

Policy packages and working capital adjustment

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= 2017-19 expenditures

Divided by projected billable hours = 2017-19 billing rate



# **How Can Adding Lawyers Reduce the Hourly Rate for Legal Services?**



# Here's how...

Numerator in the basic formula is cost

Denominator is billable hours

Some policy packages generate more revenue than costs (ratio of billers to non-billers). For example:

- Policy Package 040 (Mandated Caseload)

If the denominator increases incrementally more than the numerator, the basic formula yields a lower rate



# 2017-19 Legal Services hourly rate summary

Agency Request Budget = \$198/hour

Changes in this rate affect other agency budgets because their Current Service Level legal services budgets are calculated based on the state agency “price list” distributed by DAS in March 2016.

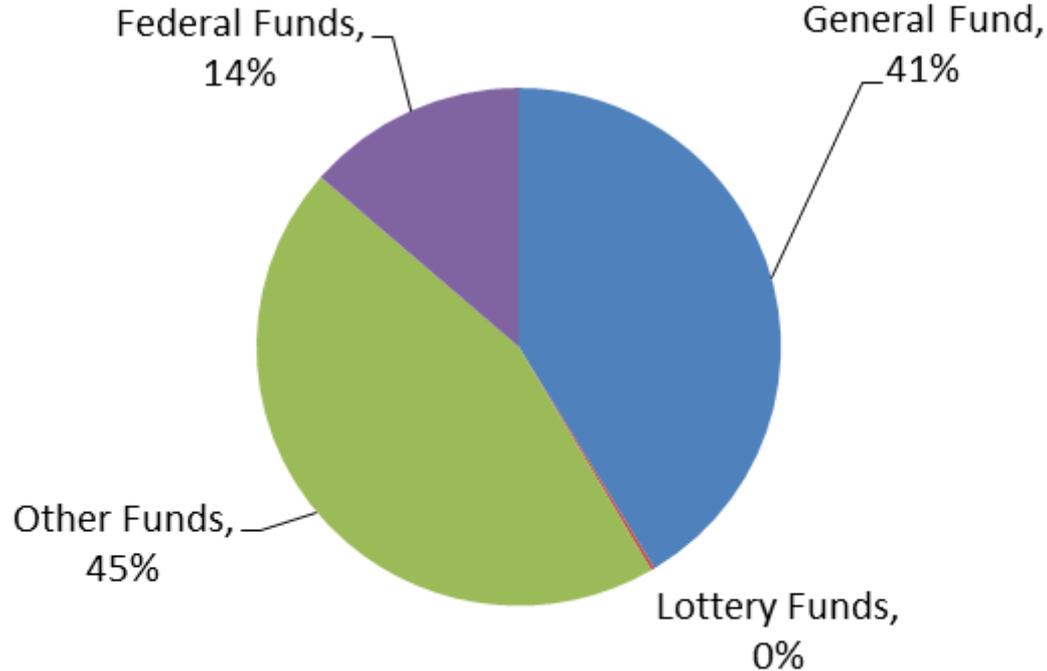
The Price List rate was \$198/hour

The final 2017-19 rate is not yet determined



# Agencies' legal services budgets are about 41% General Fund

## 2017-19 Current Service Level Each Dollar Paid for Legal Services



# Attorney General billing rate

- The AG billing rate is the dollar amount charged to DOJ's client agencies and internal accounts for one hour of legal work.

<u>Biller Type</u>	<u>2015-17</u>	<u>2017-19 ARB</u>
• Assistant Attorneys General	\$175/hr	\$198/hr
• Paralegals	90/hr	91/hr
• Investigators	116/hr	125/hr
• Law Clerks	55/hr	55/hr
• Clerical	47/hr	49/hr

- The billing rate is calculated to generate revenue that will match the projected expenditures and working capital need.



# Oregon State Bar info on rates

- The most recent published Oregon State Bar survey of its members was in May 2012. The survey included information on hourly billing rates.
- The average private practice billing rate in 2012 was \$242 per hour.
- In the 2011-13 biennium, DOJ's billing rate for attorney time was \$143 per hour.





**Oregon Department of Justice**  
Ellen F. Rosenblum, Attorney General

# **Criminal Justice Division**



# Criminal Information Services Section

- Fusion Center
- High Intensity Drug Trafficking Area (HIDTA)
  - Watch Center
  - Strategic Analysis of Drug Threats and Trends
  - Investigative Support and Training



# Oregon Titan Fusion Center



# Nation Network of Fusion Centers

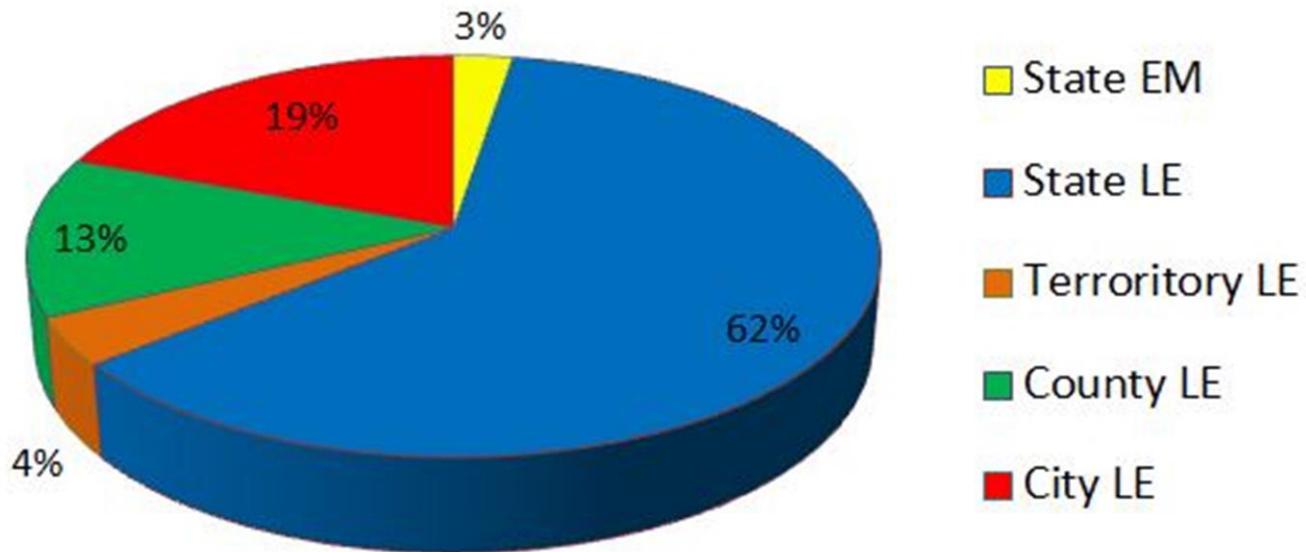


# Nation Network of Fusion Centers

- Created in response to the 9/11 Commission Report
- Currently 78 designated Fusion Centers in the US
- Fusion Centers are unique in design, but the operation mission is the same nationally
- Primary mission is to aid in the identification, prevention, and disruption of terrorist and criminal threats



# Fusion Center Locations



# Fusion Center/JTTF

## Fusion Center

- ⦿ Information Analysis and Sharing
- ⦿ All Crimes/Hazards

## Joint Terrorism Task Force

- ⦿ Investigation and Prosecution
- ⦿ Terrorism Nexus



# Staffing

## Oregon Department of Justice

- ◎ 3 ODOJ FTE – General Fund
- ◎ 2 ODOJ FTE – Homeland Security Grant Fund

## Fusion Center Partners

- ◎ Federal Law Enforcement
  - ◎ DHS, FBI, TSA, BLM
- ◎ State and Local Law Enforcement
- ◎ Public and Private Entities



# Programs

- ◎ Information Sharing
- ◎ Terrorism Liaison Officer Program
- ◎ Investigative Support Services
- ◎ Urban Area Security Initiative (UASI)
- ◎ Oregon Critical Infrastructure Program



# Information Sharing

## ☉ Daily Alerts

- Missing Persons/BOLOs/ATL

## ☉ Special Events

- Officer Safety
- Situational Awareness

## ☉ DHS/FBI

- Field Analysis Reports
- Industry Notifications

## ☉ Weekly Bulletins

**Oregon TITAN Fusion Center**  
**Bulletin**  
Oregon Department of Justice, Criminal Justice Division

THIS BULLETIN MAY CONTAIN INFORMATION DESIGNATED AS "FOR OFFICIAL USE ONLY" (FOUO), "LAW ENFORCEMENT SENSITIVE" (LES) AND/OR CONTROLLED INFORMATION, PURSUANT TO OAR 137-196-0130. DO NOT FORWARD OR DISSEMINATE TO ANY INDIVIDUAL OR GROUP THAT DOES NOT HAVE A VALID RIGHT TO KNOW/NEED TO KNOW. ANY REQUEST FOR COPIES OF THIS BULLETIN SHOULD BE DIRECTED TO THE OREGON TITAN FUSION CENTER AT 877-620-4700.

**(U//LES) Attempt to Locate - Nationwide Extradition Warrant**  
9 May 2017  
XXX-17

(U//LES) Scope  
(U//FOUO) The Oregon TITAN Fusion Center is distributing this bulletin at the request of The City, Oregon Police Department.

(U//LES) Background Information  
(U//LES) John DOE, DOB 01/01/0101, is wanted in Oregon for failure to appear in court. A warrant was issued on 05/01/2017. Bail on the warrant is set for \$5,000,000 and is extraditable nationwide. DOE's last known locations were City, PA and Town, Texas. This knowledge is based on the use of a credit card and a retail shopping card at the end of 2016.

(U//LES) The driver's license photos for John DOE were processed on October 31, 2015. The address listed on the DOE's driver's licenses is:

- 1234 None Drive, Ste. 0000, City, PA 007007;

(U//LES) DOE's vehicle is registered in Texas:

- 2004 Dodge Van, Blue
  - TX License: XXX000;
  - VIN: A123456B78910C1121314;

(U//LES) Please contact Special Agent Nameless of the City Police Department if you have any questions or locate the vehicle or suspect. He can be reached at 555-555-1212 or [sanameless@ci.doesn'texist.com](mailto:sanameless@ci.doesn'texist.com)

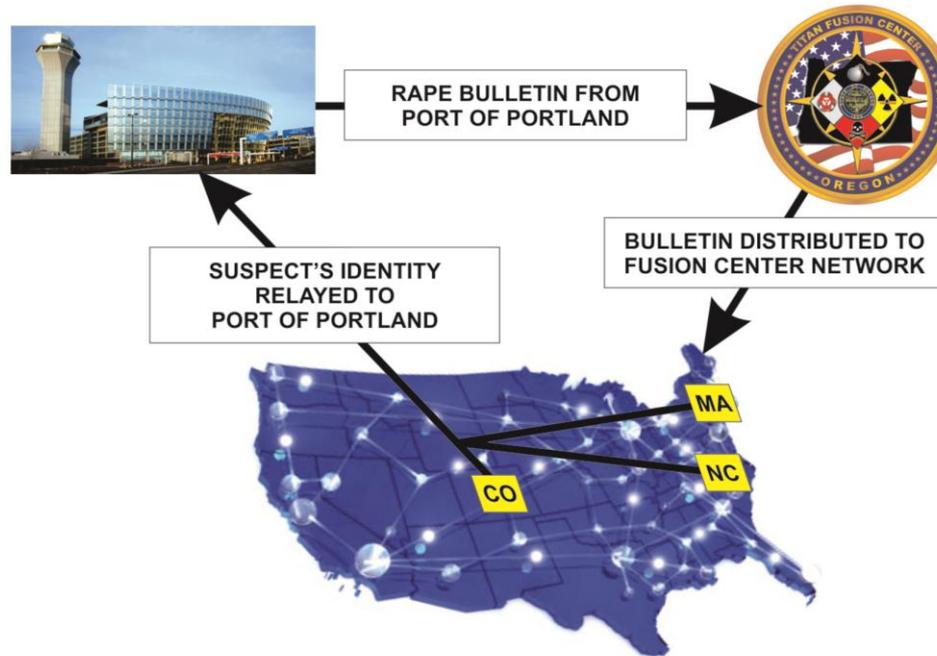
(U) The Oregon TITAN Fusion Center (OTFC) contact information is: 1-877-620 4700 or [oregonfusioncenter@doj.state.or.us](mailto:oregonfusioncenter@doj.state.or.us)

Law Enforcement Sensitive  
Page 1 of 1



# Information Sharing

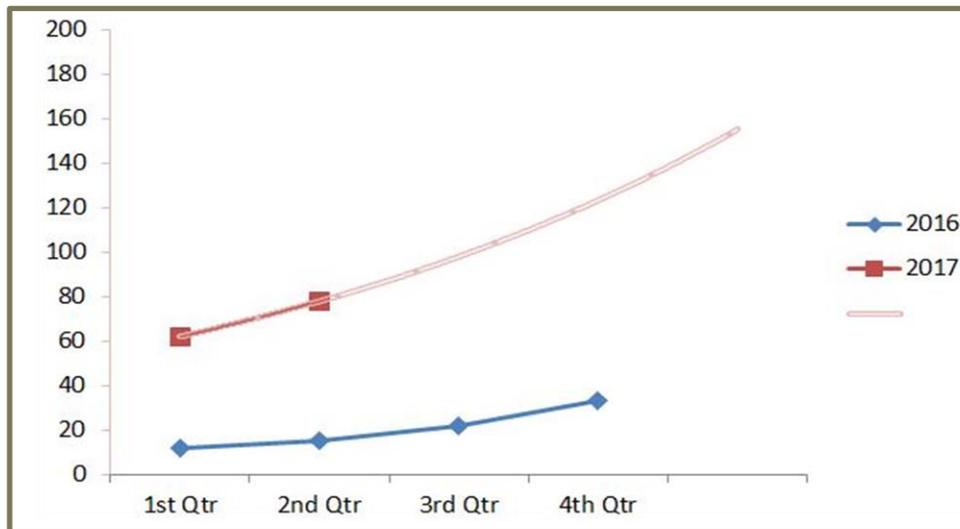
## PORTLAND RAPE INVESTIGATION



# Terrorist Screening Center

## ○ Oregon Based Resource Requests

- Prerequisite: Reasonable suspicion that a person is engaged in terrorism-related activity
- Fusion Center staff receive requests and create an analytical product relating to suspect



# Emergency Coordination Center

## Homeland Security Information Network (HSIN)

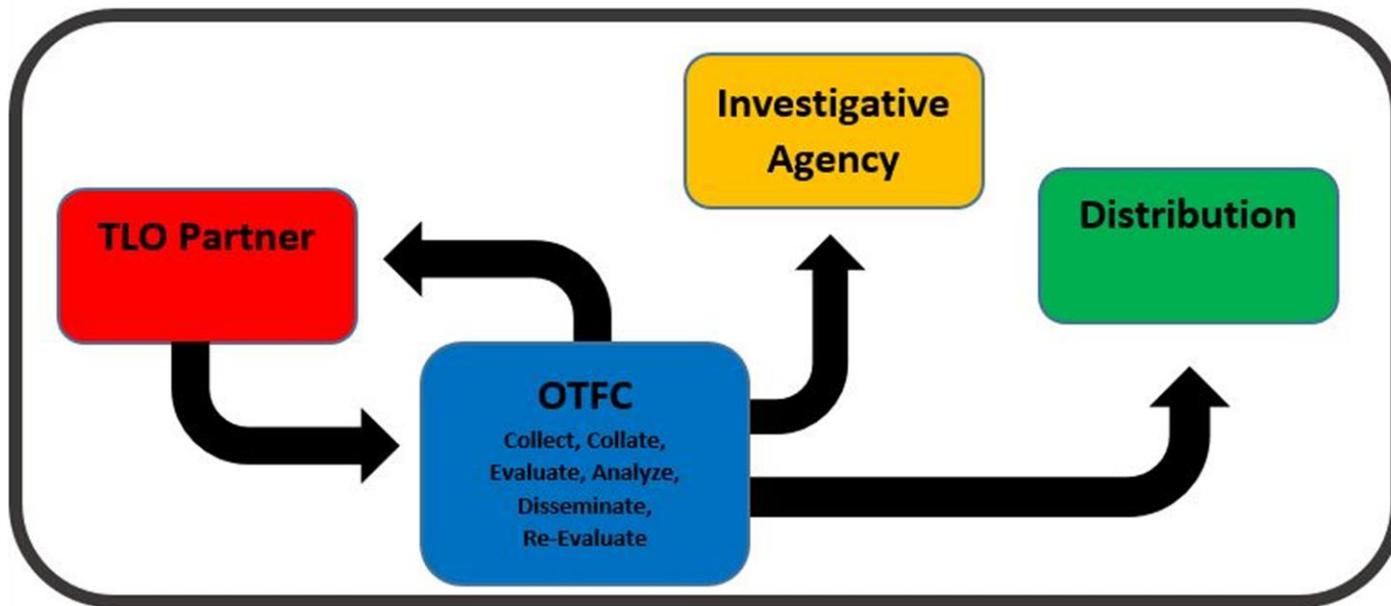
- **Oregon Sit-Aware Room:** *OTFC staff opens a virtual coordination center for the receipt and distribution of event based information. Local law enforcement officials & TLOs update status as the event unfolds.*
- **National Sit-Aware Room:** *OTFC staff contributes and receives information from other cities and states that are experiencing the similar event(s) and shares that with Oregon partners via the Oregon room.*

*HSIN is a dual authentication database for the sharing of sensitive information nationally; administered by the US Department of Homeland Security.*



# Terrorism Liaison Officers (TLO)

To empower front-line law enforcement, public safety, emergency response, and private sector security personnel to lawfully gather and share information to identify emerging threats



# Investigative Support Services

- Informational Charts
- Graphic Visualization
- Financial, Communications, and Evidence Analysis
- Specialized Analytical Training



# Urban Area Security Initiative (UASI)

## ◎ UASI Area

- ◎ Multnomah, Clackamas, Washington, Columbia, and Clark Counties

## ◎ Regional Disaster Preparedness Organization (RDPO)

- ◎ Law Enforcement
- ◎ Emergency Management
- ◎ Private Sector

## ◎ Case Support

- ◎ Human Trafficking
- ◎ Financial Crimes



# Critical Infrastructure Program

- Oregon State Infrastructure Protection Plan
- Threat Assessments
- Vulnerability Risk Assessments
- DHS Data Calls
- CIKR & IT/Cybersecurity Workgroups



# High Intensity Drug Trafficking Area (HIDTA)



# Watch Center

- ◎ 4 ODOJ FTE – HIDTA-Funded
- ◎ Deconfliction
  - ◎ Locations and Events
  - ◎ Subjects
- ◎ Short term, quick turn-around case support (research)
  - ◎ RissIntel Entries and Searches
  - ◎ Background Searches
  - ◎ Domestic Highway Enforcement Program Support



# Strategic Analytical Services

- ◎ 1 ODOJ FTE – HIDTA-Funded
- ◎ HIDTA Threat Assessments
  - ◎ Annual Threat Assessment
  - ◎ Drug trafficking trends and data
  - ◎ Drug pricing
- ◎ HIDTA Annual Report

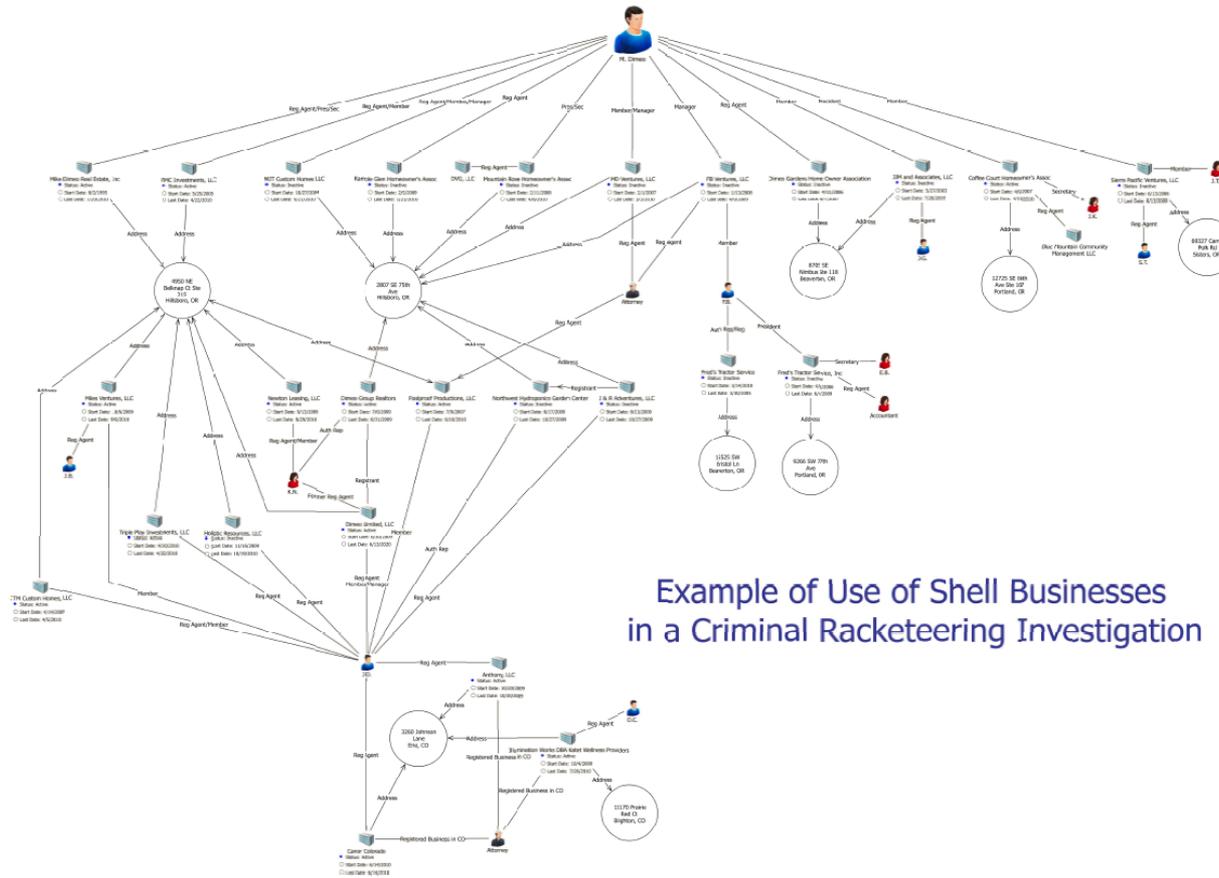


# Tactical Analytical Services

- ◎ 5 ODOJ FTE – HIDTA-Funded
  - ◎ 2 analysts co-located with DEA
- ◎ Investigative Support
  - ◎ HIDTA Counties
    - ◎ Drug trafficking
    - ◎ Money Laundering
- ◎ Training
- ◎ National Guard Counterdrug Program



# Tactical Analytical Services



Example of Use of Shell Businesses in a Criminal Racketeering Investigation





**Oregon Department of Justice**  
Ellen F. Rosenblum, Attorney General

# **General Counsel Division**

## **Contract Review**



# DOJ Contract Review

- Two main functions:
  - Contract advice as part of ordinary General Counsel function (Optional)
  - Statutory Legal Sufficiency Review (Mandatory)
    - ORS 291.045 to 291.049
    - OAR Chapter 137, division 045



# DOJ Contract Review

- Mandatory Legal Sufficiency Review:
  - ORS 291.045 to 291.049
  - OAR Chapter 137, division 045



# DOJ Contract Review

- Legal Sufficiency Review includes:
  - Essential elements of a legally binding contract;
  - Complies with federal and state law;
  - Does not violate Oregon constitutional limitations;
  - Statement of Work is sufficiently clear and definite;
  - Termination, rights and remedies.



# DOJ Contract Review

- Legal Sufficiency Review does *not* include:
  - Consideration of facts or circumstances not apparent on the face of the contract;
  - Good business deal for the state;
  - Whether any particular remedy will be available to the state;
  - Stylistic or grammar review.
- Although these are not part of mandatory Legal Sufficiency Review, we can offer advice on them at the client's request.



# DOJ Contract Review

## DOJ General Counsel Contract Review

	Contracts Received				Contracts Approved			
	Original Contracts		Contract Amendments		Original Contracts		Contract Amendments	
	2013-15	2015-17 (through 3/8/17)	2013-15	2015-17 (through 3/8/17)	2013-15	2015-17 (through 3/8/17)	2013-15	2015-17 (through 3/8/17)
Architect/Engineer/Related Services Total	157	98	125	109	143	78	113	78
Bond Counsel Total	1		4		1		3	
Construction Total	81	47	48	66	70	37	40	52
Cooperative Agreement Total	475	532	205	161	382	454	189	106
Goods or Equipment (not IT) Total	78	37	36	13	58	18	29	6
Grant (Not Research Development) Total	931	683	299	134	919	624	297	123
Information Technology (not PSK) Total	121	113	105	92	87	68	79	70
Intellectual Property (Not Tech Transfer) Total	6	4	4	1	3	1	4	1
Investment Agreement Total	84	33	62	26	63	26	38	13
Loan Agreement Total	188	129	41	13	177	124	38	13
Personal Services (IT) Total	129	129	126	153	108	78	104	115
Personal Services (not SAAG or IT) Total	1,415	1,373	1,187	903	1,274	1,203	1,106	779
Personal Services (SAAG) Total	5	186	9	29	4	183	9	29
Real Property Total	161	124	86	65	75	25	64	25
Technology Transfer Total	1				1			
Trade Services Total	13	8	12	6	13	4	10	5
<b>Total</b>	<b>3,846</b>	<b>3,496</b>	<b>2,349</b>	<b>1,771</b>	<b>3,378</b>	<b>2,923</b>	<b>2,123</b>	<b>1,415</b>



# DOJ Contract Review

## Contracts Received

Original Contracts		Contract Amendments	
2013-15	2015-17 (through 5/10/17)	2013-15	2015-17 (through 5/10/17)

## Contracts Approved

Original Contracts		Contract Amendments	
2013-15	2015-17 (through 5/10/17)	2013-15	2015-17 (through 5/10/17)

**Total**

3,846	3,867	2,349	1,985	3,378	3,258	2,123	1,577
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# DOJ Contract Review

## Contracts Received

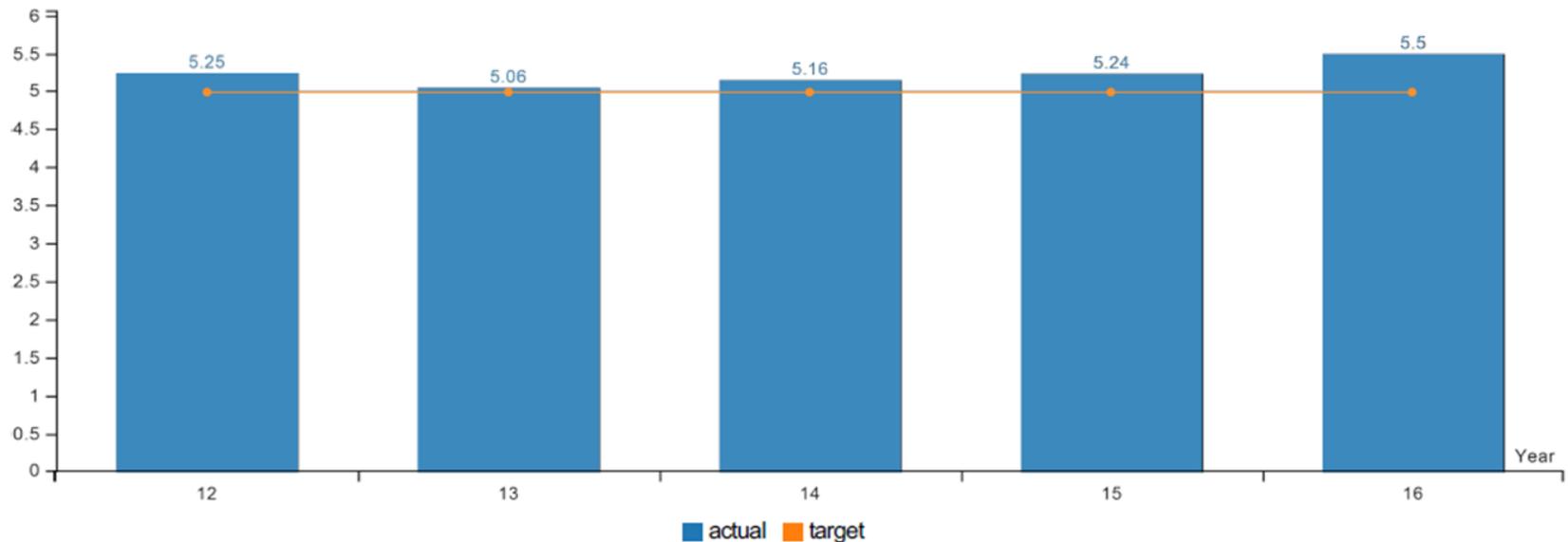
## Contracts Approved

Client Name	Original Contracts		Contract Amendments		Original Contracts		Contract Amendments	
	2013-15	2015-17 (through 3/8/17)	2013-15	2015-17 (through 3/8/17)	2013-15	2015-17 (through 3/8/17)	2013-15	2015-17 (through 3/8/17)
	Department of Human Services	713	860	527	422	690	813	497
Department of Administrative Services	111	107	80	66	78	79	60	52
Oregon Business Development Department	201	195	23	20	196	179	23	19
Oregon Health Authority	493	332	406	327	472	268	384	290
ODOT Department of Transportation/Central	231	167	143	170	203	131	125	127
ODOT Public Transit Division	122	48	44		119	45	43	
ODOT/Highway Division	555	504	236	151	449	436	217	126
Housing and Community Services Department	143	76	40	8	139	73	40	8



# DOJ Contract Review

KPM #4 Average working days from receipt of contracting document to first substantive response to agency. -  
Data Collection Period: Jul 01 - Jun 30





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# Division of Child Support



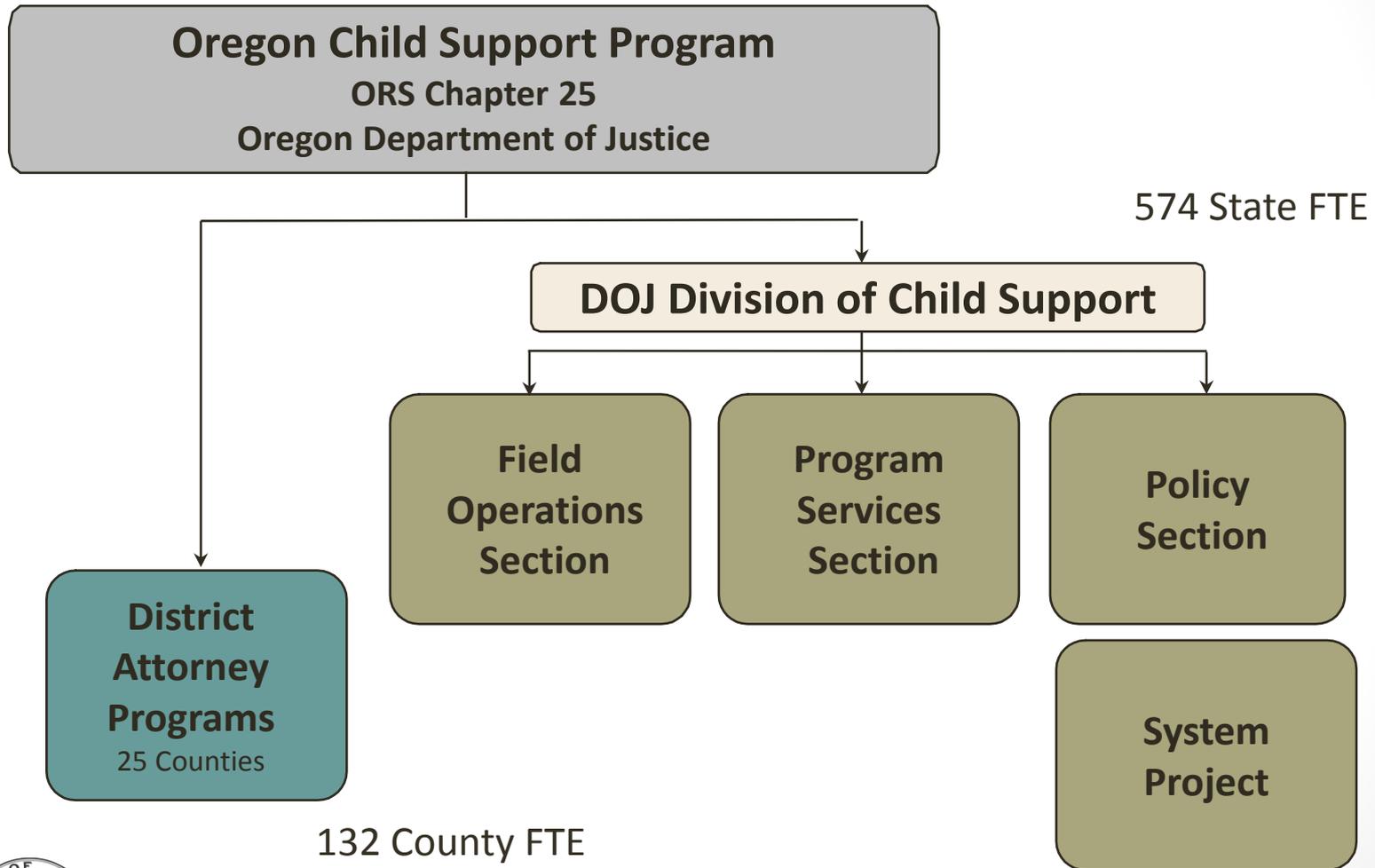
Department of Justice – Division of Child Support

What we're about:

**Supporting parents  
to  
support children.**

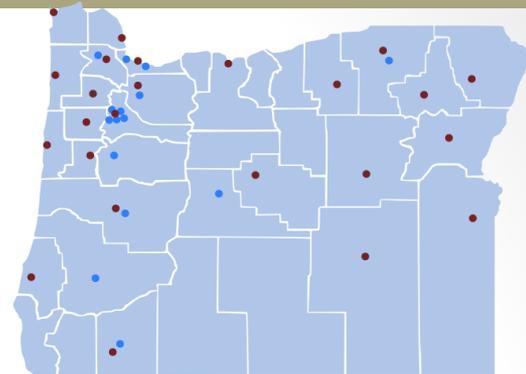


# Oregon's Federal Title IV-D Program



**BY  
THE  
NUMBERS**

**17 million** child support cases nationally  
**1 in 4 children**



**15** DOJ-DCS offices    **24** DA offices

Public programs in Oregon with the most child participants:

1. Public schools
2. Oregon Health Plan
3. **Child Support Program**

**187,756** child support cases

**176,000** children 21 and younger

**146,000** children 18 and younger

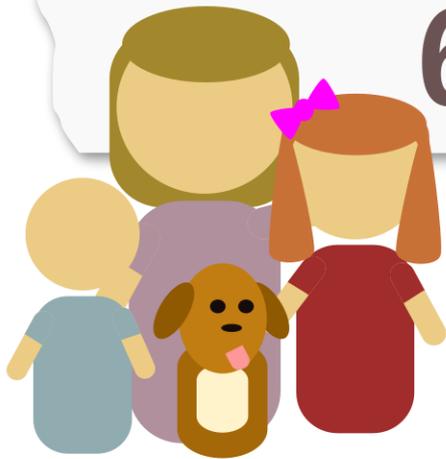
**15%** of children in Oregon



**\$365** million  
annual collections

**\$1** million  
daily collections

**67%** collected through  
income withholding



**92%** goes to  
families

**8%** reimbursed  
public assistance

For every

**\$1**

from the  
General Fund  
we collect



**in support**



# Presentation Overview

## Liquidated and Delinquent Debt

- Assigned Support
- Receivables

## Key Performance Measures

- 137-10
- 137-11
- 137-12
- 137-13

## Policy Packages

- 231
- 241



# Liquidated & Delinquent Debt

The Division of Child Support portion of DOJ's reported delinquent debt results from two primary categories:

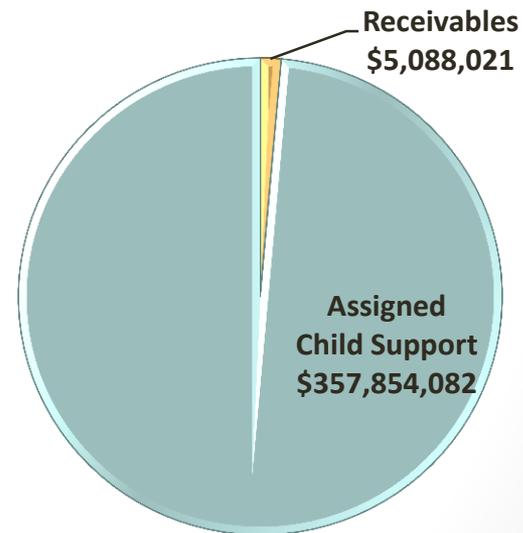
Assigned child support	\$ 357,584,082
Division receivables	\$ 5,088,021

## Assigned child support

- Child support *temporarily* assigned to the government when state services/public assistance is provided on behalf of a child

## Receivables

- Funds due to DOJ when an individual receives a payment or credit for a payment inappropriately



# Assigned child support

Child support *temporarily* assigned to the government when state services/public assistance is provided on behalf of a child

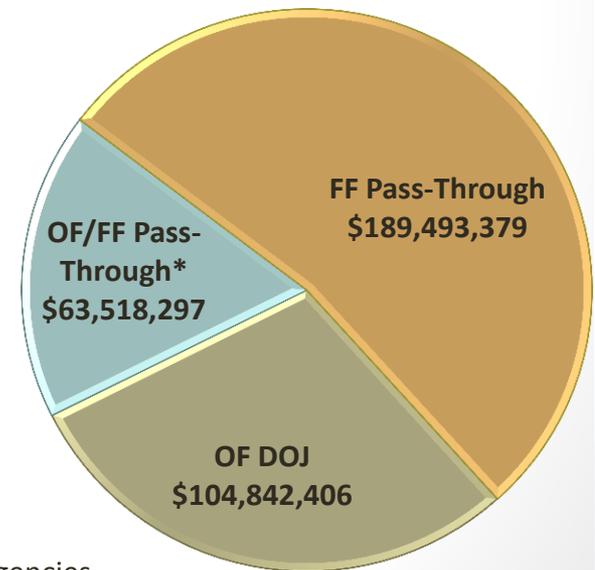
Assigned child support	\$ 357,584,082
DOJ assigned portion	\$ 104,842,406 (29%)

## Contributors

- Temporarily assigned to government– based on assistance status
- Last priority for support collection
- Legal actions to establish or modify support orders postpone collections
- Debtor often lacks ability to pay

## Funding Types

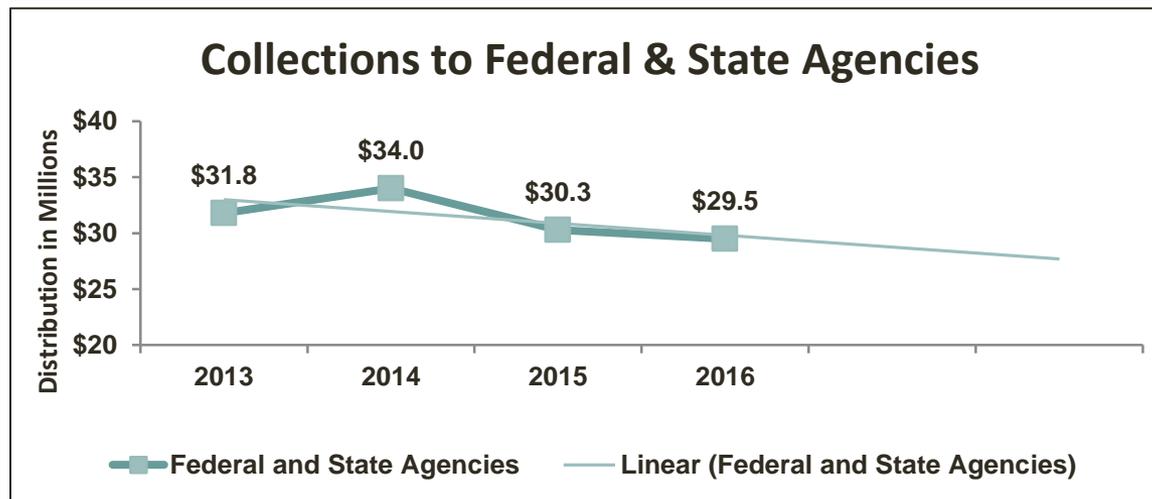
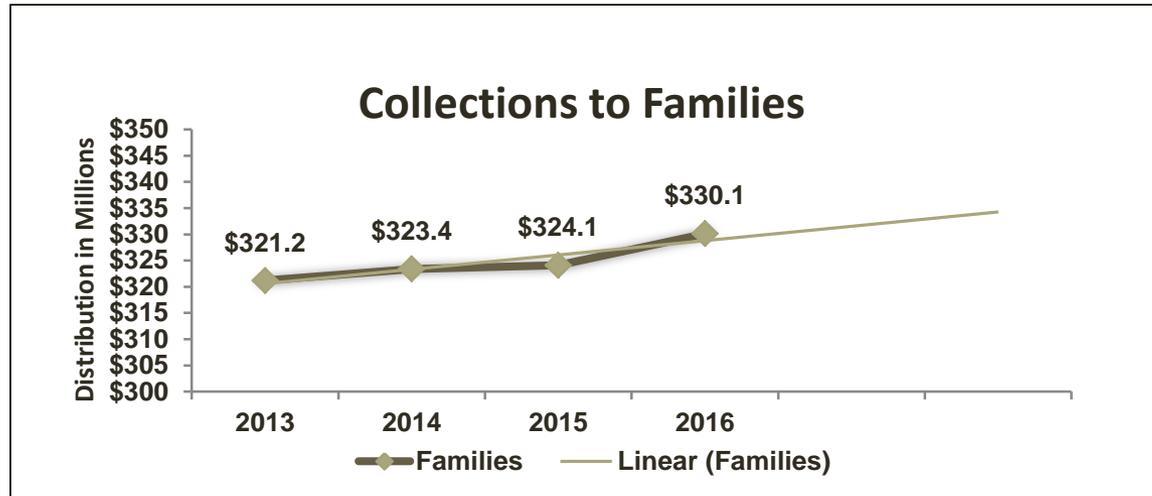
- Other Funds due to DOJ
- Other/Federal Funds pass-through\*
- Federal Funds pass-through



\* This figure contains both state and federal Other Funds for other agencies



# Where Do Collections Go?



# Assigned Support Prevention & Collection

Steps to reduce the creation of new debts and increase payments on those debts that are collectable

## Preventing non-payment

- Processing timely legal actions to “right-size” orders
- Customer engagement
- Removing barriers
  - Access and visitation assistance
  - Parenting time calendars and mediation

## Increasing collections

- Increasing payment methods
  - Credit/debit card and electronic check payments
  - Cash payments at kiosks throughout the state
- Developing criteria for debt compromise and write-off
- Ongoing improvements as part of the Child Support System (Origin) Project



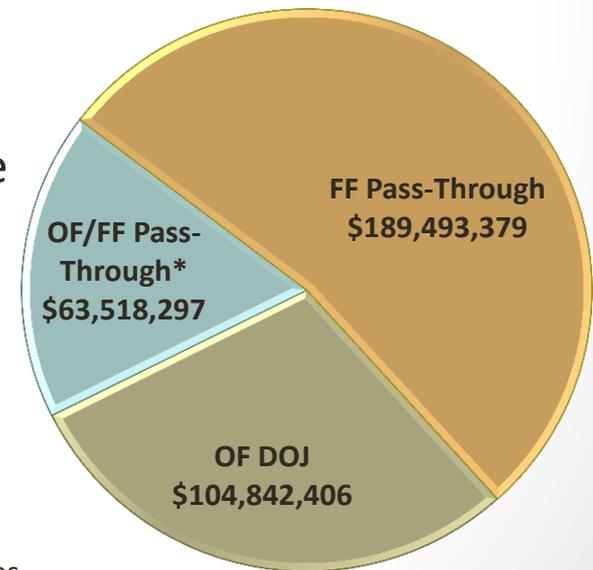
# Assigned child support summary

The DOJ share of assigned support may not actually be state money

**DOJ assigned portion** **\$ 104,842,406 (29%)**

## The truth behind the figures

- Amount assigned to the government changes as families move on/off assistance
- When families leave assistance accrued debt reassigns to the family
- Assigned caseload declining rapidly nationwide
- A portion of collections (> \$1.1 million/yr) is passed through
- Only the portion equal to actual assistance received may be retained, despite assignment of full amount



\* This figure contains both state and federal Other Funds for other agencies



# Receivables

Funds due to DOJ when an individual receives a payment or credit for a payment inappropriately.

**Division receivables**

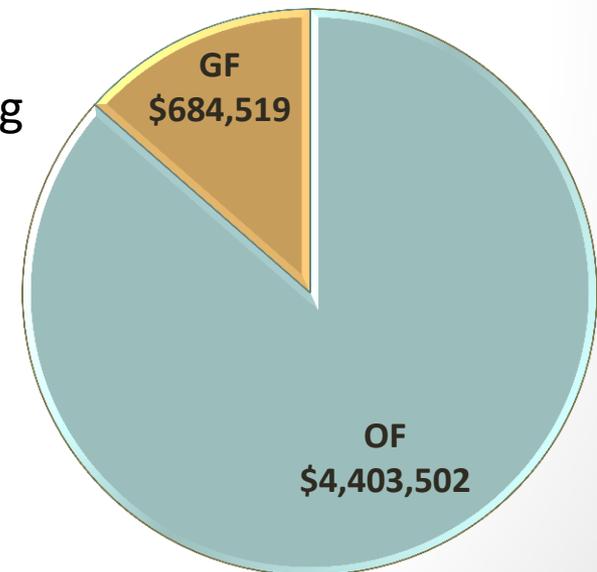
**\$ 5,088,021**

## Contributors

- Unfunded collections
  - Federal two-day distribution timeline
  - Payments dishonored after disbursement
  - Reversed offsets due to fraud or joint filing
- Check fraud
- No existing write-off process
  - Many reported debts uncollectable

## Funding Types

- General Funds
- Other Funds to DOJ



# Receivables – Prevention & Collection

Steps to reduce the creation of new debts and increase payments on those debts that are collectable

## Preventing new debts

- Holding federal and state offsets for 6 months
- “Positive Pay” process through Treasury and US Bank
- Fees for dishonored payments
- Future payments held if prior dishonored payment
- Partner with DOJ Criminal Justice Division for fraud investigation

## Increasing collections

- Developed process and procedure
  - Commercial collection database
  - Automated collection letters
  - Department of Revenue after 90 days unpaid
  - Private collection after Department of Revenue
- Developing criteria for debt compromise and write-off
- Ongoing improvements in Child Support System (Origin) Project



# Performance Measures

## State child support programs must meet 5 federal performance measures

1. % of current support collected relative to total owed (KPM #11)
2. % of cases paying toward arrears (KPM #12)
3. % of cases with orders (KPM #13)
4. cost-effectiveness ratio
5. paternity establishment ratio

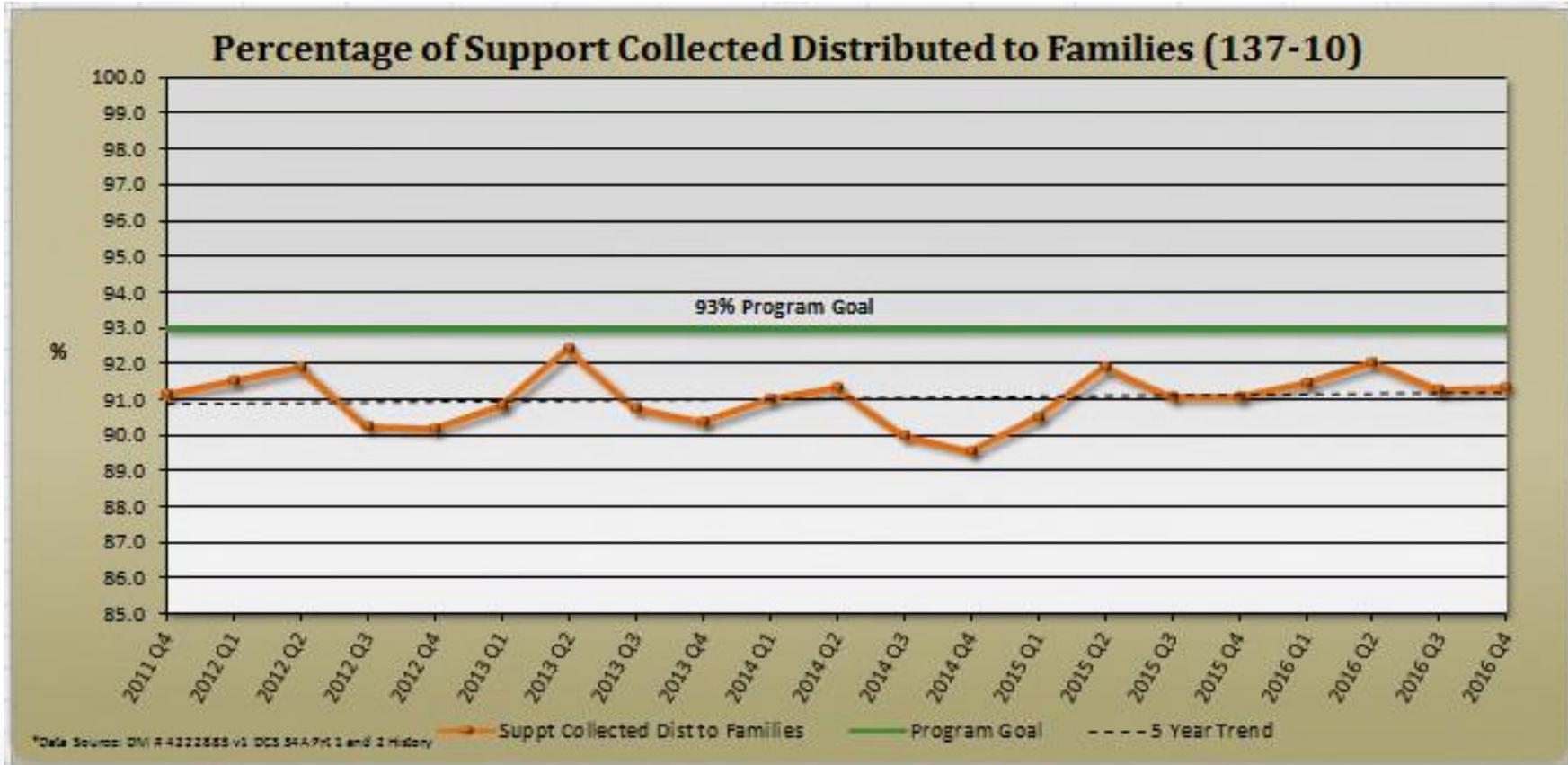
Oregon KPM only: % of collections distributed to families (KPM#10)

**States compete for federal incentive funds based on data reliability and performance measures**



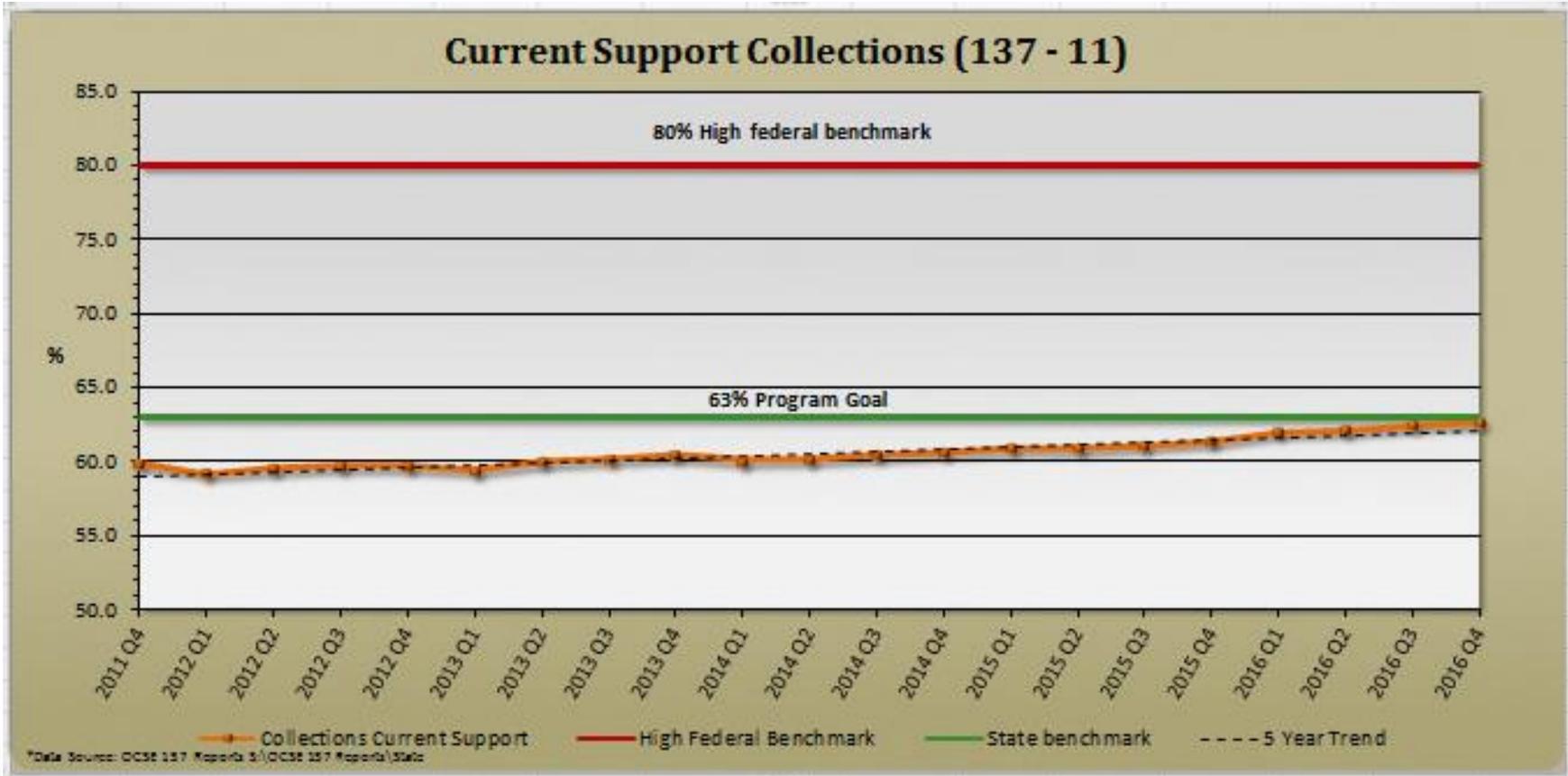
# Performance Measure 137-10

## % of Collected Support Distributed to Families



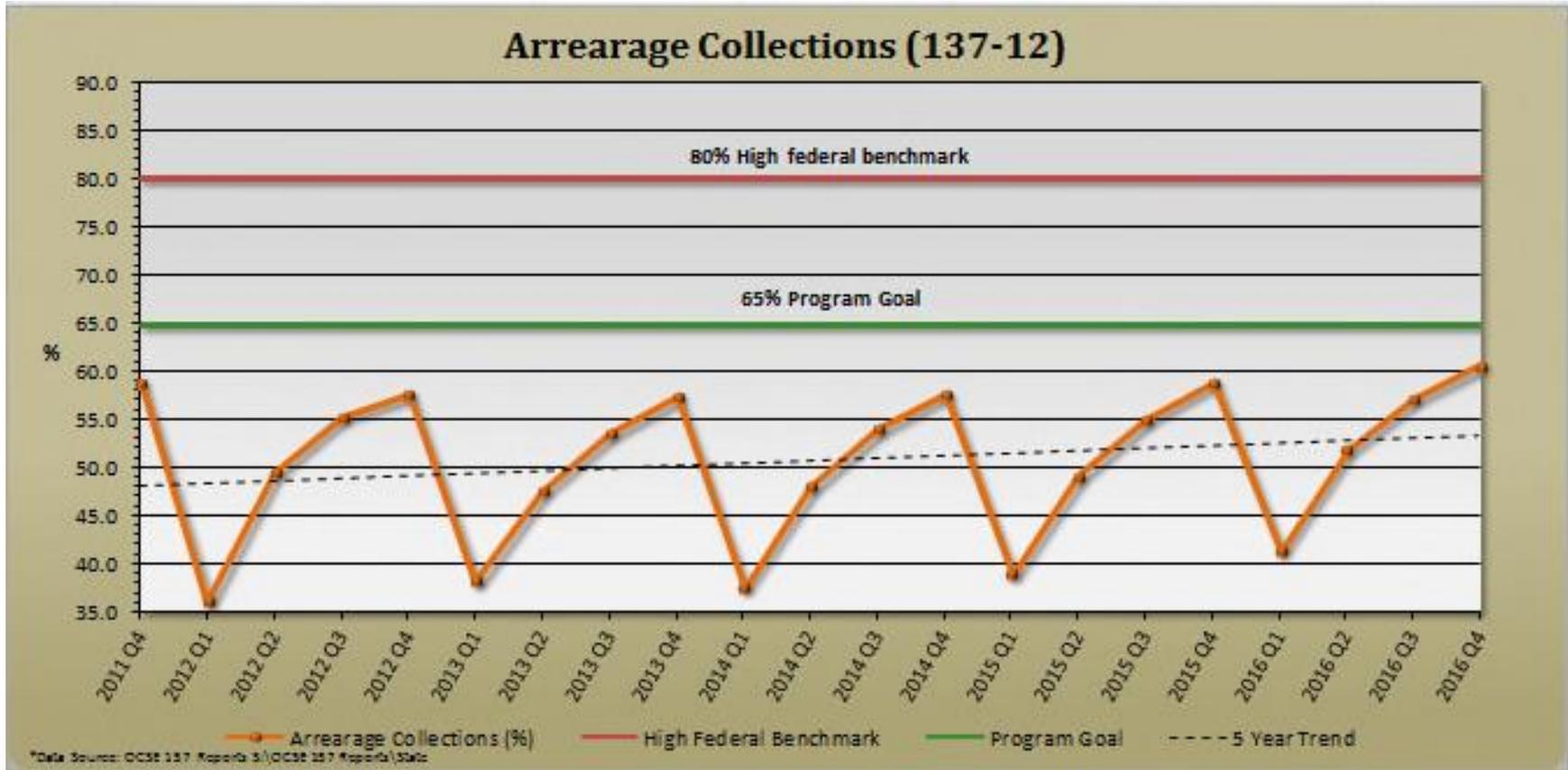
# Performance Measure 137-11

## % of Current Child Support Collected Relative to Current Support Owed



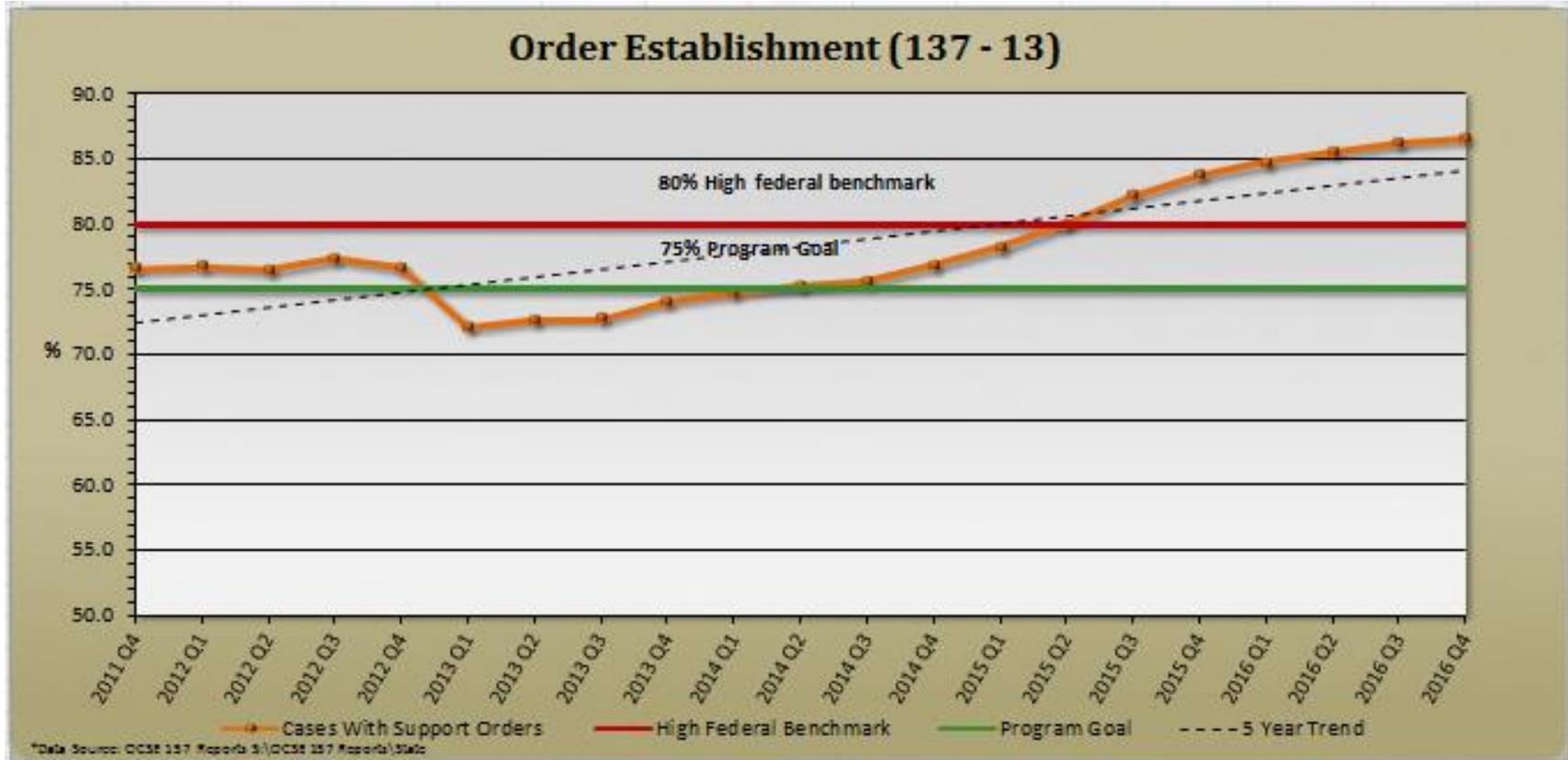
# Performance Measure 137-12

## % of Cases Paying Towards Arrears Relative to Total Arrears Cases



# Performance Measure 137-13

## % of Cases with Support Orders Relative to Total Cases



# Policy Packages

	<u>Agency Requested Budget</u>	<u>Adjusted Request to LFO</u>
<b>Package 231</b>		
Child Support Revenue	\$1.71 M GF	\$1.71 M GF
Reduction Restoration	<u>\$3.34 M</u> FF	<u>\$3.34 M</u> FF
<b>Total</b>	<b>\$5.05 M</b>	<b>\$5.05 M</b>
<b>Package 241</b>		
Child Support	\$2.90 M GF	\$3.24 M GF
System Project	\$15.30 M OF	\$16.89 M OF
	<u>\$29.09 M</u> FF	<u>\$32.14 M</u> FF
<b>Total</b>	<b>\$47.29 M</b>	<b>\$52.27 M</b>



# 231 – Declining Recoveries

## Revenue Restoration Package

### Ongoing loss of recoveries resulted in 070 – Revenue Reduction

DOJ Division of Child Support collects TANF (Temporary Assistance for Needy Families) recoveries as revenue to help fund operations expenses

- State-assigned TANF recoveries continue to decline due to law changes
- TANF caseloads diminishing both nationally and in Oregon
- Increase in percentage of collections going to Oregon families

### Reduction in Other Funds operating revenue results in related loss of matching federal funding.

- \$1.7 million reduction in recoveries + \$3.3 million related reduction in federal match = **total reduction of \$5 million**



# 231 – Consequence of Reduction

**This request substitutes General Fund for the lost Other Funds revenues required for the state fund share of the operating budget.**

**\$1.7M GF enables \$3.3 M FF match = \$5.0 M in total funding  
Represents 26.84 FTE, 27 positions**

DOJ Division of Child Support collects TANF (Temporary Assistance for Needy Families) recoveries for use as revenue toward operations expenses

- Impacts to funding and performance also impact 24 District Attorney offices
- Risk of failing federal performance requirements, which results in penalties and reduced incentive funds both to the Child Support Program and a reduction in the state TANF grant
- Greatest impacts to Program performance would be realized 12-18 months following staffing reductions – loss of 26.84 FTE, 27 positions



# 241 – Information Technology

## Child Support System Project

**All states must maintain a child support automated system that meets federal certification requirements.**

- Oregon's current system (CSEAS) is one of the oldest systems in the nation, using components and databases from the 1970s that are obsolete, difficult to use, and complex to maintain
- The Program is working with its federal oversight office on a multi-year, federally-prescribed process to replace its federally-certified system
- Policy Package 241 allows the Program to stay in compliance with federal requirements, compete for federal incentives, keep up with increasing caseload demands, and meet information security requirements



# 241 – Project Accountability

## Ongoing Collaborative Partnerships

- Federal Office of Child Support Enforcement (OCSE)
- Principal Legislative Analyst, Legislative Fiscal Office
- Principal IT Analyst, Legislative Fiscal Office
- Chief Information Officer & IT Investment Oversight Coordinator, Office of the State Chief Information Officer

## Contracted Review

- Quality Assurance: independent of other contractors, provides a full spectrum of quality management services
- Independent Verification & Validation: managed by DAS Office of the State Chief Information Officer



# 241 – Legislative Timeline

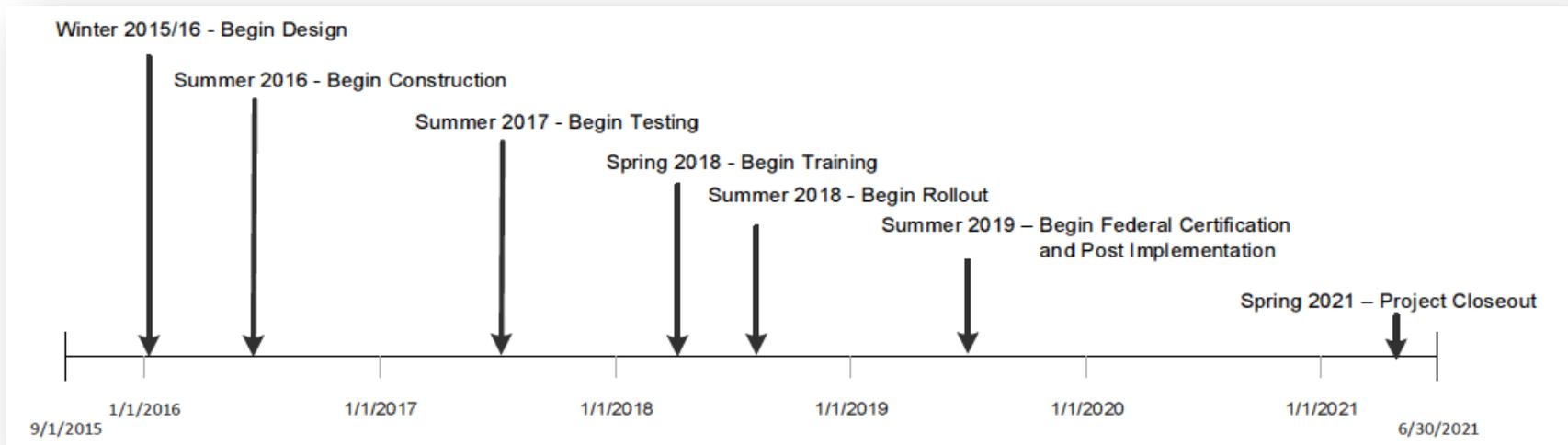
Feasibility Study Report – Nov 2011 to Oct 2012

Business Process Re-engineering – Dec 2012 to Dec 2013

Planning Approval – 2013 Legislative Session

Stage Gate 3 & Readiness Assessment Approval – 2016 Legislative Session

Continuation of Implementation Project – 2016 through 2019 Sessions



# 241 – Consequence of Not Funding

## Project Costs Increase

- DAS procurement costs and AAG costs
- Personal services and S&S costs
- Facility costs (through Deloitte contract)
- Significant change order costs for contract extension

## Risk Increases

- Project stall; completion date delayed at least to 2021-2023
- Reduced contractor support
- Loss of key state and contractor personnel
- Current system failure
- Reduction or elimination of federal funding and support, including potential recoupment
- Regulatory security findings and penalties



# Key Performance Measures



# Performance Measures

## Agency Performance Measure Graph

2016 APPR



Data presented is from 2016 State Fiscal Year & Federal Fiscal Year

Status	Status Description	Performance Measures
<u>GREEN</u> (Accomplished)	Within 5% of approved target	KPM #1 - Legal cases in which the state's position is upheld KPM #2 - Appropriate litigation resolved through settlement KPM #3 - Monies recovered for the state divided by the cost of recovery KPM #5 - Legal billings receivables collected within 30 days KPM #7 - Customers rating their satisfaction with the agency's customer service KPM #8 - Criminal Justice Division cases resolved successfully KPM #9 - Crime victims' compensation orders issued within 90 days of claim receipt KPM #10 - Support collected by the Child Support Program that is distributed to families KPM #11 - Current child support collected relative to total child support owed KPM #13 - Child Support Program cases with support orders relative to total Program cases KPM #16 - Defense of Criminal Convictions (DCC) cases briefed within 210 days.
<u>Yellow</u> (Challenge, but making progress)	Within 6% - 15% of approved target	KPM #4 - Working days from receipt of contracting document to first substantive response to agency. KPM #6 - Timely and complete charities' reports submitted relative to total charities registered KPM #12 - Child Support Program cases paying towards arrears relative to total Program cases with arrears due KPM #14 - Adult victims leaving domestic violence shelters with a safety plan after a stay of five days or more
<u>RED</u> (Challenge)	Greater than 15% from approved target	KPM #15 - Sexual assault exams conducted by specially trained Sexual Assault Nurse Examiners (SANE)



# FY 2016 KPM Status

Measure	Target	2016	Status	Comments
KPM #1 - Legal cases in which the state's position is upheld	95%	96%	Green	
KPM #2 - Appropriate litigation resolved through settlement	60%	68%	Green	
KPM #3 - Monies recovered for the state divided by the cost of recovery	\$25.00	\$36.40	Green	
KPM #4 - Working days from receipt of contracting document to first substantive response to agency	5.00	5.50	Yellow	Results depend partly on complexity of documents and on client agency resources to produce contracting documents ready for DOJ to review.
KPM #5 - Legal billings receivables collected within 30 days	88%	85%	Green	



# FY 2016 KPM Status (cont.)

Measure	Target	2016	Status	Comments
KPM #6 - Timely and complete charities' reports submitted relative to total charities registered	70%	65%	Yellow	Results have declined due to an increase in new, inexperienced charities and fewer DOJ staff to contact delinquent organizations.
KPM #7 - Customers rating their satisfaction with the agency's customer service - Overall (see chart for other measures)	95%	95%	Green	
KPM #8 - Criminal Justice Division cases resolved successfully	99%	99%	Green	
KPM #9 - Crime victims' compensation orders issued within 90 days of claim receipt	98%	95%	Green	
KPM #10 - Support collected by the Child Support Program that is distributed to families	93%	92%	Green	



# FY 2016 KPM Status (cont.)

Measure	Target	2016	Status	Comments
KPM #11 - Current child support collected relative to total child support owed	62%	63%	Green	
KPM #12 - Child Support Program cases paying towards arrears relative to total Program cases with arrears due	65%	61%	Yellow	Although performance in this category is below the goal, it continues to improve by nearly 2% each year. When unemployment is high and wages decline, the number of past-due cases increase because the ordered support is no longer proportional to the party's income. A legal modification is necessary to adjust these cases, and once the economy improves, performance in this category steadily increases.
KPM #13 - Child Support Program cases with support orders relative to total Program cases	80%	87%	Green	



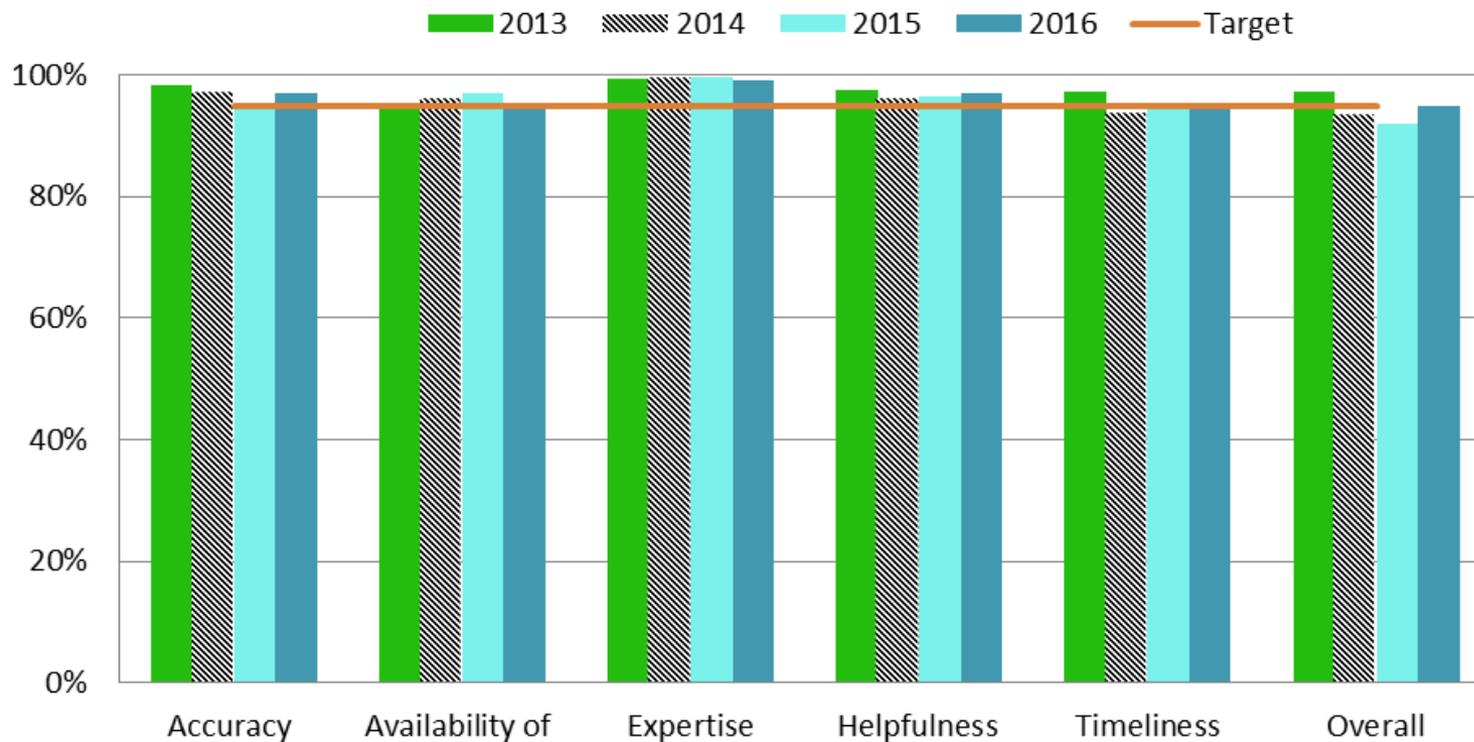
# FY 2016 KPM Status (cont.)

Measure	Target	2016	Status	Comments
KPM #14 - Adult victims leaving domestic violence shelters with a safety plan after a stay of five days or more	100%	92%	Yellow	Results depend on community-based non-profits that receive foundational funding from DOJ grants and continually struggle to obtain adequate resources.
KPM #15 - Sexual assault exams conducted by specially trained Sexual Assault Nurse Examiners (SANE)	85%	69%	Red	CVSD is supporting the work of the Sexual Assault Task Force (SATF) which manages the training and certification of SANE nurses. We are also providing financial support to the SANE trainings. Since the KPM is dependent on activities outside the division's control, training and support of the SATF is the best way we can support the increase in trained SANEs conducting sexual assault exams.
KPM #16 - Defense of Criminal Convictions (DCC) cases briefed within 210 days.	95%	93%	Green	



# Performance Measures

Percentage of customers (state agencies) rating their satisfaction with the agency's customer service as "good" or "excellent" (Calendar Year)



# Budget Reduction Options



# Reduction options from CSL have changed since mid-2016

- Reduction in mandated caseload saves \$4.6 million General Fund
- Reduction in AG rate to \$185/hr saves additional \$4.6 million General Fund across all agencies' budgets
- Governor's Budget proposed reduction of \$5.1 million General Fund in Crime Victims' Services
- Reduction of \$3.2 million General Fund for defense of Tobacco Master Settlement Agreement due to recent settlement
- Total General Fund savings would be 18% of DOJ's General Fund at Current Service Level



# Additional reductions

- Permanent expenditure limitation reductions:
  - \$2.8 million Federal Funds in the Criminal Justice Division
  - \$0.8 million Other Funds in the Civil Enforcement Division
- Position eliminations and additional vacancy savings:
  - Reduction of 1 position in Criminal Justice Div., \$192,572 OF
  - Reduction of 1 position in Administration Div., \$0.00 OF
  - Reduction of 1 position in Civil Enforcement Div., \$0.00 GF
- Potential for additional vacancy savings as constrained budgets in DOJ's client agencies could lead to lower demand for legal services, reduced billings, and a need for DOJ to hold some positions vacant to maintain the Legal Fund's solvency and liquidity.



# Policy Option Packages and technical adjustments



# Budget Priorities for the 2017-19 Biennium

## Requested changes to Current Service Level:

- Increase Child Welfare/DHS Representation
- Continue Child Support System Project (\$3.2M GF)
- Continue Fusion Center (\$0.9M GF)
- Add Criminal Justice Division grant-funded positions
- Increase Victims of Crime Act limitation
- Expand Medicaid Fraud Control Unit
- Add Public Law Conference limitation and 1 position
- Add 6 positions in General Counsel Division
- Add limitation for Information Services ongoing expenses
- Reclassify 3 positions, add 1 position in Budget section
- Add Accounting Tech 2 position in Financial Services



# Budget Priorities for the 2017-19 Biennium

## Requested changes to Current Service Level (continued):

- Backfill Other Funds revenue shortfall in Division of Child Support (\$1.7M GF)
- Reclassify 4 positions in Crime Victims' Services Division
- Fund legal work with statewide benefit (\$0.2M GF)
- Add funding for ballot title review (\$0.05M GF)
- Add 1 position in Criminal Justice for DUII prosecution (ODOT funded)
- Add Legal Tools Project ongoing support
- Add placeholder for jurisdictional work in several counties
- Combined with reduction options, the net effect is a 12% reduction from DOJ's General Fund at CSL (5% of this is General Fund savings in other agencies due to lower billing rate)



# Requested technical adjustments

- Extend Legal Tools Project expenditure limitation to 2017-19 (\$1.2M OF limitation; revenue was generated in 2015-17, so no effect on 2017-19 billing rate)
- Add two new Tobacco Non-Participating Manufacturer positions (\$0.3M OF)
- Add missing Personal Services for paralegal position (\$0.2M OF)
- Update Child Support CSEAS Project funding amounts (\$0.3M GF, \$1.6M OF, \$3.1M FF)
- Eliminate internal auditor position; shift funding to professional services (\$0.2M OF)



# Pending Legislation



# Pending Legislation

- SB 243, and -1, -3, -4 Abuse reporting
- SB 246 Child-caring agency licensure
- SB 397, and -1 DHS client confidentiality
- SB 872-1 and -2 Dept. of Information Technology
- SB 896 Appellate court jurisdiction
- HB 2170-1 Office of Oregon Ombudsmen
- HB 2345-1 Juvenile dependency represent.
- HB 2355 Profiling
- HB 2500 DHS caseworker training
- HB 2813-4 ISP collection of information
- HB 2903-3 Child-caring agency regulation
- HB 3428 Public employees in CCOs





**Oregon Department of Justice**  
Ellen F. Rosenblum, Attorney General

**Thank You!**

