

Q00K00
Criminal Injuries Compensation Board
 Department of Public Safety and Correctional Services

Operating Budget Data

(\$ in Thousands)

	<u>FY 13</u> <u>Actual</u>	<u>FY 14</u> <u>Working</u>	<u>FY 15</u> <u>Allowance</u>	<u>FY 14-15</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
Special Fund	\$3,442	\$3,623	\$3,516	-\$107	-3.0%
Contingent & Back of Bill Reductions	0	0	-4	-4	
Adjusted Special Fund	\$3,442	\$3,623	\$3,511	-\$112	-3.1%
Federal Fund	292	700	1,500	800	114.3%
Adjusted Federal Fund	\$292	\$700	\$1,500	\$800	114.3%
Reimbursable Fund	30	35	32	-3	-8.0%
Adjusted Reimbursable Fund	\$30	\$35	\$32	-\$3	-8.0%
Adjusted Grand Total	\$3,765	\$4,358	\$5,044	\$686	15.7%

- The fiscal 2015 allowance for the Criminal Injuries Compensation Board (CICB) increases by \$686,000, or 15.7%, compared to the fiscal 2014 working appropriation. Approximately 90% of the increase is attributed to growth in funding for awards made to victims of crime. The remaining increase is for personnel expenses.

Note: Numbers may not sum to total due to rounding.

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Personnel Data

	<u>FY 13</u> <u>Actual</u>	<u>FY 14</u> <u>Working</u>	<u>FY 15</u> <u>Allowance</u>	<u>FY 14-15</u> <u>Change</u>
Regular Positions	12.00	12.00	12.00	0.00
Contractual FTEs	<u>3.12</u>	<u>4.26</u>	<u>4.26</u>	<u>0.00</u>
Total Personnel	15.12	16.26	16.26	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	0.00	0.00%
Positions and Percentage Vacant as of 12/31/13	0.00	0.00%

Analysis in Brief

Major Trends

Processing Claims: Eligible claims received by CICB declined for the fourth consecutive year, falling most recently by 6.0% to 1,420 claims received in fiscal 2013. This reflects a 17.5% reduction from the most recent peak of over 1,700 claims received in fiscal 2009. Nearly 90.0% of the claims received in fiscal 2013 were deemed eligible. CICB aims to have 70.0% of eligible claims resolved within 180 days of determining eligibility. After meeting this target for the first time in a decade in fiscal 2011, the agency suffered a setback in fiscal 2012, with only 53.0% of eligible claims resolved within the given timeframe. Productivity improved again in fiscal 2013, when 78.0% of claims were resolved within 180 days. The average number of days to process a claim was significantly reduced from 177 to 122 days between fiscal 2012 and 2013. **CICB should discuss its efforts to improve claims processing in fiscal 2013 and whether this improvement will be sustained in fiscal 2014 and beyond.**

Satisfaction of Claimants: As a measure of providing effective victim services, CICB tracks the satisfaction of victims and claimants with the decision concerning their awards. The goal is to have 90% of claimants satisfied with the board's decision. Since fiscal 2005, CICB has had at least 88% of claimants satisfied with the board's decision. In fiscal 2013, however, the satisfaction level fell to 84%. According to CICB, the reason for the decline is because the survey was updated to also include individuals who had had their claims denied. **CICB should comment on the decline in satisfaction and discuss how the agency uses the survey results to improve its operations.**

Recommended Actions

1. Concur with Governor's allowance.

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Criminal Injuries Compensation Board
Department of Public Safety and Correctional Services

Operating Budget Analysis

Program Description

The Criminal Injuries Compensation Board (CICB) awards grants to innocent victims of crime who incur financial hardship as a result of crime. Awards may be made for lost wages, medical expenses, counseling, crime scene clean-up, and funeral expenses for victims of homicide. Grants may not exceed \$45,000, including any subsequent and supplemental awards, with the exception of victims suffering permanent total disability. After a disability-related claim of \$25,000 has been awarded to the victim, if the injury to the victim resulted in permanent total disability, the victim may request an additional award of up to \$25,000. Funding for these grants is generated by the State's Criminal Injuries Compensation Fund (CICF) from fees assessed by circuit and District courts. The CICF is also supplemented by federal funds.

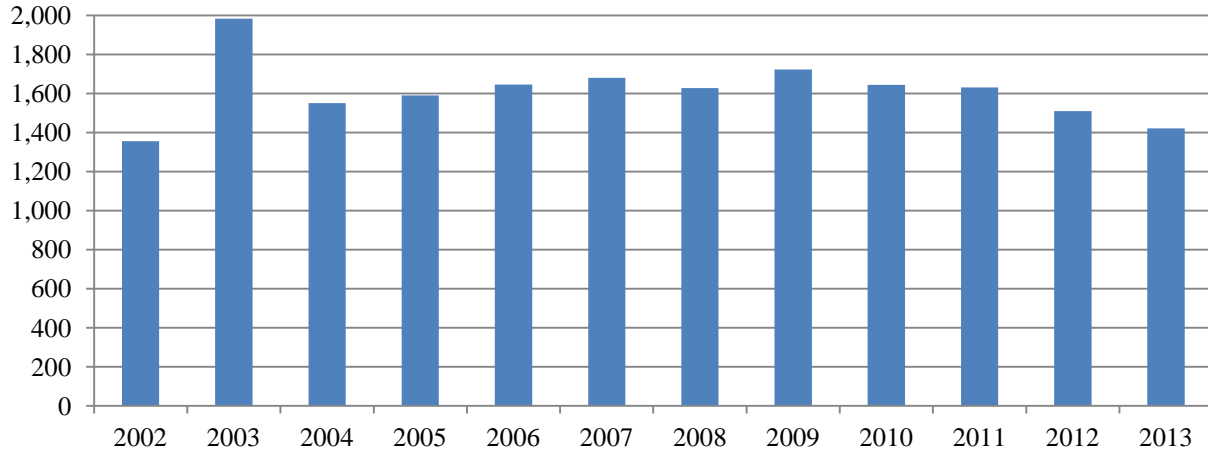
Performance Analysis: Managing for Results

1. Processing Claims

The mission of CICB is to alleviate the financial hardship suffered by innocent victims of crime and their families. As such, timely resolution of claims is a must. **Exhibit 1** reflects the number of eligible claims received each year since fiscal 2002. Eligible claims received by CICB declined for the fourth consecutive year, falling most recently by 6.0% to 1,420 claims received in fiscal 2013. This reflects a 17.5% reduction from the most recent peak of over 1,700 claims received in fiscal 2009. Nearly 90.0% of the claims received in fiscal 2013 were deemed eligible.

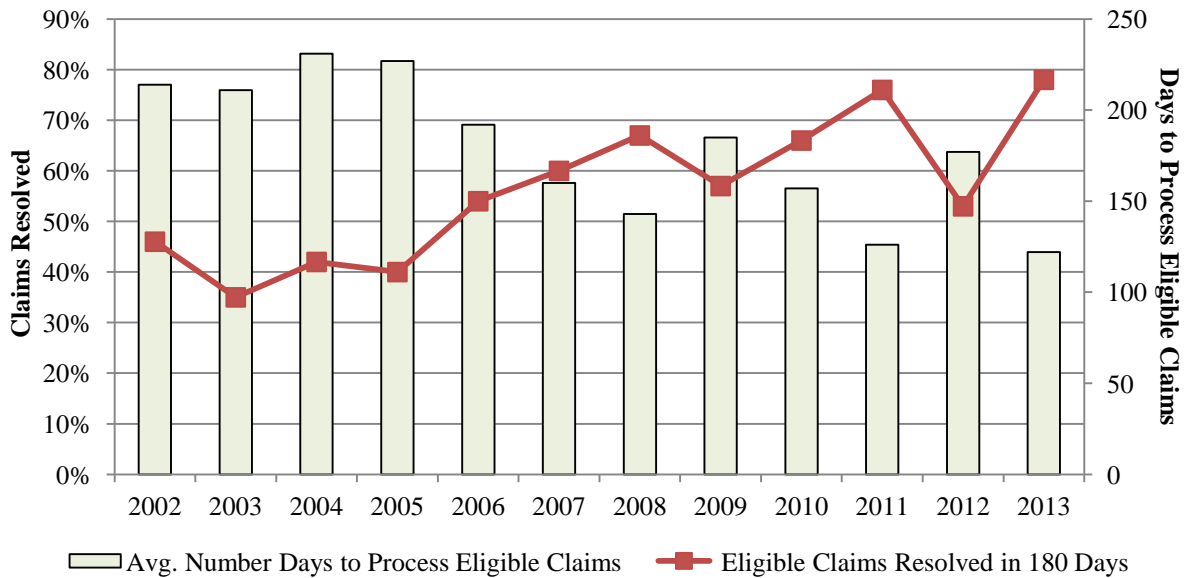
Exhibit 2 demonstrates the agency's objective to resolve claims within a given timeframe. CICB aims to have 70% of eligible claims resolved within 180 days of determining eligibility. After meeting this target for the first time in a decade in fiscal 2011, the agency suffered a setback in fiscal 2012, with only 53% of eligible claims resolved within the given timeframe. Productivity improved again in fiscal 2013, when 78% of claims were resolved within 180 days. The average number of days to process a claim was significantly reduced from 177 to 122 days between fiscal 2012 and 2013. **CICB should discuss its efforts to improve claims processing in fiscal 2013 and whether this improvement will be sustained in fiscal 2014 and beyond.**

**Exhibit 1
Claims Received
Fiscal 2002-2013**



Source: Department of Public Safety and Correctional Services; Governor’s Fiscal 2015 budget books

**Exhibit 2
Eligible Claims Processing
Fiscal 2002-2013**



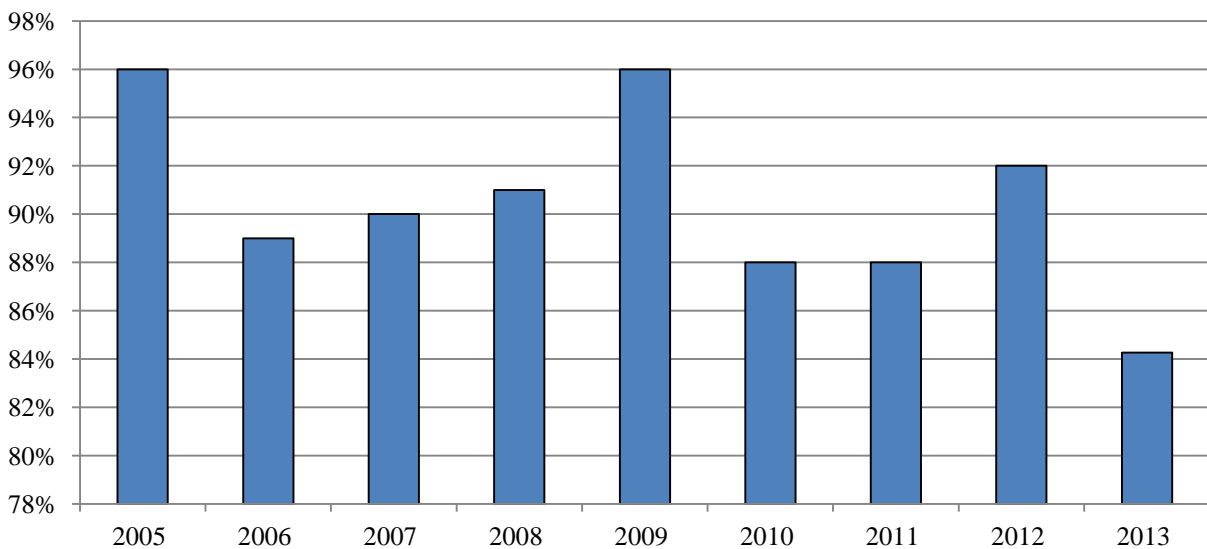
Source: Department of Public Safety and Correctional Services; Governor’s Fiscal 2015 budget books

2. Satisfaction of Claimants

As a measure of providing effective victim services, CICB tracks the satisfaction of victims and claimants with the decision concerning their awards. **Exhibit 3** shows the percent of awardees responding to a survey who indicate that the decision about their claims was fair and reasonable. The goal is to have 90% of claimants satisfied with the decisions. Since fiscal 2005, CICB has had at least 88% of claimants satisfied with the board’s decisions. In fiscal 2013, however, the satisfaction level fell to 84%. According to CICB, the reason for the decline is because the survey was updated to also include individuals who had had their claims denied.

CICB should comment on the decline in satisfaction and discuss how the agency uses the survey results to improve its operations.

**Exhibit 3
Claimant Satisfaction
Fiscal 2005-2013**



Source: Department of Public Safety and Correctional Services; Governor’s Fiscal 2015 budget books

Fiscal 2014 Actions

Cost Containment

There are three across-the-board withdrawn appropriations that offset the increase in deficiency appropriations. This includes reductions to employee/retiree health insurance, funding for

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a new Statewide Personnel information technology system, and retirement reinvestment. These actions are fully explained in the analyses of the Department of Budget and Management (DBM) – Personnel, the Department of Information Technology, and the State Retirement Agency (SRA), respectively.

Proposed Budget

As seen in **Exhibit 4**, the Governor’s allowance for CICB increases by \$686,000, or 15.7%, over the fiscal 2014 working appropriation. Federal fund expenditures more than double in fiscal 2015, offset slightly by a 3.1% decline in special funds.

**Exhibit 4
Proposed Budget
DPSCS – Criminal Injuries Compensation Board
(\$ in Thousands)**

How Much It Grows:	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
2014 Working Appropriation	\$3,623	\$700	\$35	\$4,358
2015 Allowance	<u>3,511</u>	<u>1,500</u>	<u>32</u>	<u>5,044</u>
Amount Change	-\$112	\$800	-\$3	\$686
Percent Change	-3.1%	114.3%	-8.0%	15.7%

Where It Goes:

Personnel Expenses

Turnover and other adjustments	\$41
Annualization of general salary increase and increments	22
Contractual employment	9
Employee retirement system	6
Employee and retiree health insurance.....	-19

Other Changes

Awards made to victims of crime.....	620
Staff training on claim compensation software	6
Other.....	1

Total **\$686**

Note: The fiscal 2014 working appropriation reflects negative deficiencies and contingent reductions. The fiscal 2015 allowance reflects back of the bill and contingent reductions. Numbers may not sum to total due to rounding.

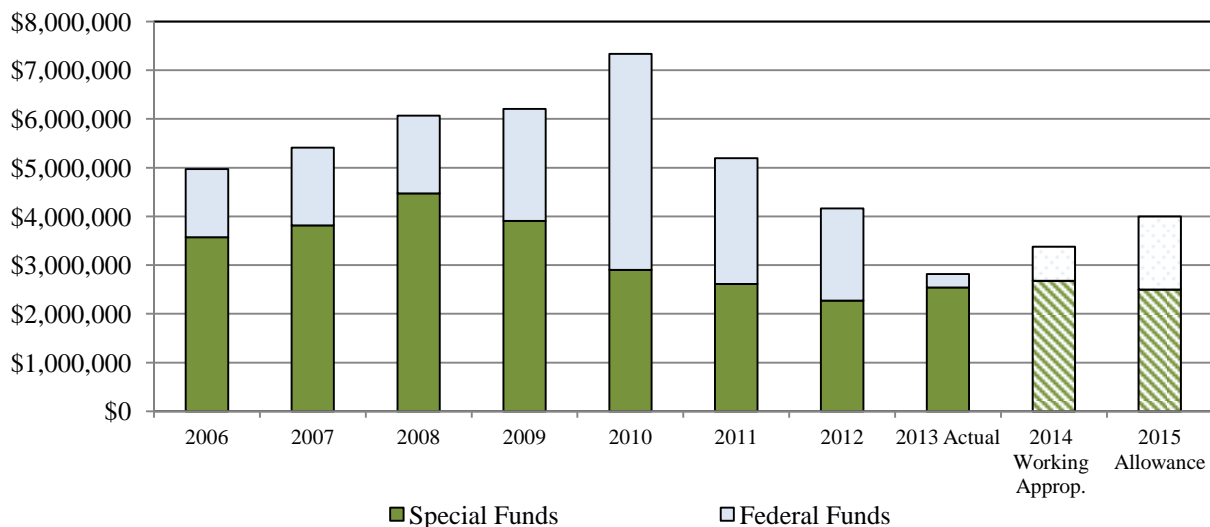
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Personnel expenses increase by a net of \$50,000. The agency receives some turnover relief in fiscal 2015, with a 0% budgeted turnover rate, consistent with its current vacancy rate. Additional funds are also provided to reflect the annualization of the cost-of-living adjustment and merit increases.

Approximately 90% of the increase in fiscal 2015 is in funding for awards made to victims of crime, with 100.0% of the growth resulting from an increase in federal revenue from the Victims of Crime Act. The federal fund appropriation for awards is based on the federal formula, which awards funds based upon 60.0% of actual State payments to victims of crime for the federal fiscal year two years prior. In fiscal 2015, the special fund appropriation for awards made to victims of crime is \$2.5 million, and the federal fund appropriation is \$1.5 million. Special funds are derived from court fees dedicated to the CICF. Circuit and District courts assess a \$20 fee per criminal case, and traffic court cases are assessed a \$3 fee.

Exhibit 5 shows the funding history for awards made to victims of crime since fiscal 2006. As a result of a number of operational improvements between fiscal 2002 and 2004, such as a new automated tracking system, increased staffing, and a more aggressive outreach effort, CICB increased the number of awards made to victims of crime and the amount of State funding used to support this purpose. The board used the available fund balance to help support this growth. Funding for awards peaked in fiscal 2010 and has since declined significantly because the agency exhausted its available fund balance. Fiscal 2013 saw the lowest award expenditures in the past decade, as the agency was limited to providing compensation only within available annual revenues.

Exhibit 5
Crime Victim Compensation
Fiscal 2006-2015



Source: Department of Legislative Services

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Annual special fund revenue from the CICF is approximately \$3.5 million. Compensation expenditures increase in fiscal 2014 and 2015 as a result of additional federal revenue. Since federal funding for awards is provided based on a percentage of prior year special fund expenditures, the decline in special fund spending between fiscal 2008 and 2012, after the fund balance had been exhausted, had a negative impact on federal revenue. With the exhaustion of the fund balance, special fund expenditures have stabilized at a slightly higher level than in fiscal 2012. As such, additional federal revenue is available. In fiscal 2015, federal funding for awards made to victims of crime increases by \$800,000, while the special fund appropriation for this purposes declines by \$180,000.

CICB does not currently have a backlog in claims eligible for award. The agency had a \$2.6 million federal fund balance at the end of fiscal 2013. CICB is continuing to make the adjustments discussed in prior year analyses in order to ensure that adequate funding is available to cover all eligible claims. These include enforcing CICB's position as fund of last resort; denying all claims otherwise eligible for reimbursement from other sources; negotiating claims with large medical providers; and requiring that CICB medical claimants file for medical assistance, workers' compensation benefits, Social Security disability, and other appropriate reimbursement sources before being processed by CICB. The agency estimates that putting these practices in place has saved \$5.8 million since fiscal 2011.

Cost Containment

There is one across-the-board reduction and one contingent reduction reflected in the Governor's spending plan for the fiscal 2015 allowance. This affects funding for employee/retiree health insurance and retirement reinvestment. These actions are fully explained in the analyses of DBM – Personnel and SRA.

Recommended Actions

1. Concur with Governor's allowance.

**Object/Fund Difference Report
DPSCS – Criminal Injuries Compensation Board**

<u>Object/Fund</u>	<u>FY 13 Actual</u>	<u>FY 14 Working Appropriation</u>	<u>FY 15 Allowance</u>	<u>FY 14 - FY 15 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	12.00	12.00	12.00	0.00	0%
02 Contractual	3.12	4.26	4.26	0.00	0%
Total Positions	15.12	16.26	16.26	0.00	0%
Objects					
01 Salaries and Wages	\$ 743,002	\$ 753,136	\$ 807,127	\$ 53,991	7.2%
02 Technical and Spec. Fees	116,703	131,213	140,182	8,969	6.8%
03 Communication	15,149	13,350	13,350	0	0%
04 Travel	2,831	2,000	2,000	0	0%
06 Fuel and Utilities	6,077	6,850	6,400	-450	-6.6%
07 Motor Vehicles	76	0	0	0	0.0%
08 Contractual Services	22,380	29,450	35,800	6,350	21.6%
09 Supplies and Materials	5,208	6,000	6,000	0	0%
12 Grants, Subsidies, and Contributions	2,820,068	3,380,000	4,000,000	620,000	18.3%
13 Fixed Charges	33,269	35,983	37,074	1,091	3.0%
Total Objects	\$ 3,764,763	\$ 4,357,982	\$ 5,047,933	\$ 689,951	15.8%
Funds					
03 Special Fund	\$ 3,442,312	\$ 3,622,982	\$ 3,515,719	-\$ 107,263	-3.0%
05 Federal Fund	292,215	700,000	1,500,000	800,000	114.3%
09 Reimbursable Fund	30,236	35,000	32,214	-2,786	-8.0%
Total Funds	\$ 3,764,763	\$ 4,357,982	\$ 5,047,933	\$ 689,951	15.8%

Note: The fiscal 2014 appropriation does not include deficiencies. The fiscal 2015 allowance does not include contingent reductions.