

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

***Operating Budget Data***

(\$ in Thousands)

|                                   | <u>FY 11</u><br><u>Actual</u> | <u>FY 12</u><br><u>Working</u> | <u>FY 13</u><br><u>Allowance</u> | <u>FY 12-13</u><br><u>Change</u> | <u>% Change</u><br><u>Prior Year</u> |
|-----------------------------------|-------------------------------|--------------------------------|----------------------------------|----------------------------------|--------------------------------------|
| Special Fund                      | \$3,282                       | \$3,662                        | \$3,463                          | -\$199                           | -5.4%                                |
| <b>Adjusted Special Fund</b>      | <b>\$3,282</b>                | <b>\$3,662</b>                 | <b>\$3,463</b>                   | <b>-\$199</b>                    | <b>-5.4%</b>                         |
| Federal Fund                      | 2,719                         | 2,450                          | 2,175                            | -275                             | -11.2%                               |
| <b>Adjusted Federal Fund</b>      | <b>\$2,719</b>                | <b>\$2,450</b>                 | <b>\$2,175</b>                   | <b>-\$275</b>                    | <b>-11.2%</b>                        |
| Reimbursable Fund                 | 72                            | 131                            | 124                              | -7                               | -5.7%                                |
| <b>Adjusted Reimbursable Fund</b> | <b>\$72</b>                   | <b>\$131</b>                   | <b>\$124</b>                     | <b>-\$7</b>                      | <b>-5.7%</b>                         |
| <b>Adjusted Grand Total</b>       | <b>\$6,073</b>                | <b>\$6,244</b>                 | <b>\$5,762</b>                   | <b>-\$482</b>                    | <b>-7.7%</b>                         |

- The fiscal 2013 allowance for the Criminal Injuries Compensation Board (CICB) declines by approximately \$482,000, or 7.7%, when compared with the fiscal 2012 working appropriation. The majority of this reduction, approximately \$425,000, is due to a decrease in available funding for awards made to victims of crime.

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

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## ***Personnel Data***

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|                        | <b><u>FY 11<br/>Actual</u></b> | <b><u>FY 12<br/>Working</u></b> | <b><u>FY 13<br/>Allowance</u></b> | <b><u>FY 12-13<br/>Change</u></b> |
|------------------------|--------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
| Regular Positions      | 14.00                          | 12.00                           | 12.00                             | 0.00                              |
| Contractual FTEs       | <u>4.05</u>                    | <u>6.90</u>                     | <u>6.90</u>                       | <u>0.00</u>                       |
| <b>Total Personnel</b> | <b>18.05</b>                   | <b>18.90</b>                    | <b>18.90</b>                      | <b>0.00</b>                       |

### ***Vacancy Data: Regular Positions***

|   |      |        |
|---|------|--------|
| Turnover and Necessary Vacancies, Excluding New Positions | 0.94 | 7.87%  |
| Positions and Percentage Vacant as of 12/31/11            | 2.00 | 16.67% |

## ***Analysis in Brief***

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### **Major Trends**

***Eligible Claims Processing:*** Eligible claims received by CICB increased 27.4% over the past decade, to 1,628 claims received in fiscal 2011. CICB aims to have 70.0% of eligible claims resolved within 180 days of determining eligibility. The agency has met this target for the first time within the last 10 years, with 76.0% of eligible claims processed within 180 days. This reflects considerable progress in comparison to prior years. In fiscal 2011, the average processing time fell to 126 days, the quickest processing time in more than a decade.

### **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***

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### **Program Description**

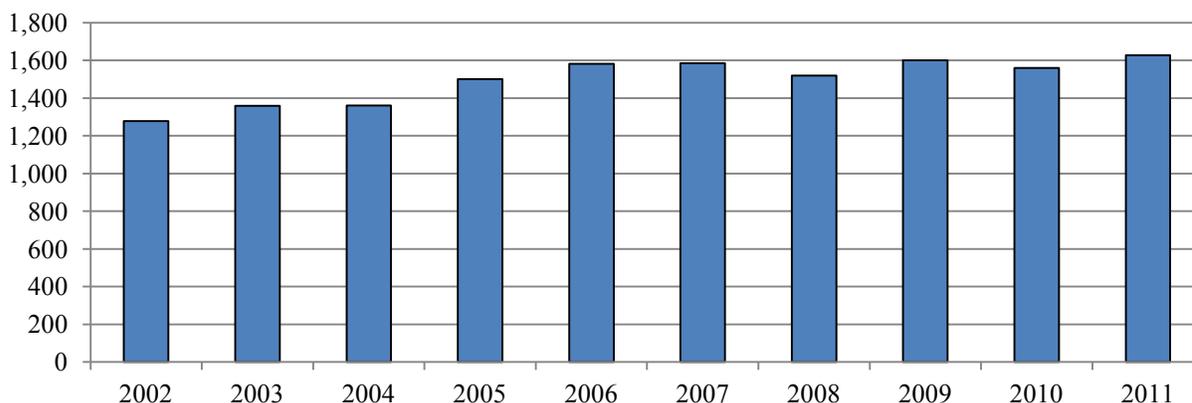
The Criminal Injuries Compensation Board (CICB) awards grants to innocent victims of crime who incur financial hardship as a result of crime. Awards may be made for lost wages, medical expenses, counseling, crime scene clean-up, and funeral expenses for victims of homicide. Grants may not exceed \$45,000, 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**

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 increased 27.4% over the past decade, to 1,628 claims received in fiscal 2011.

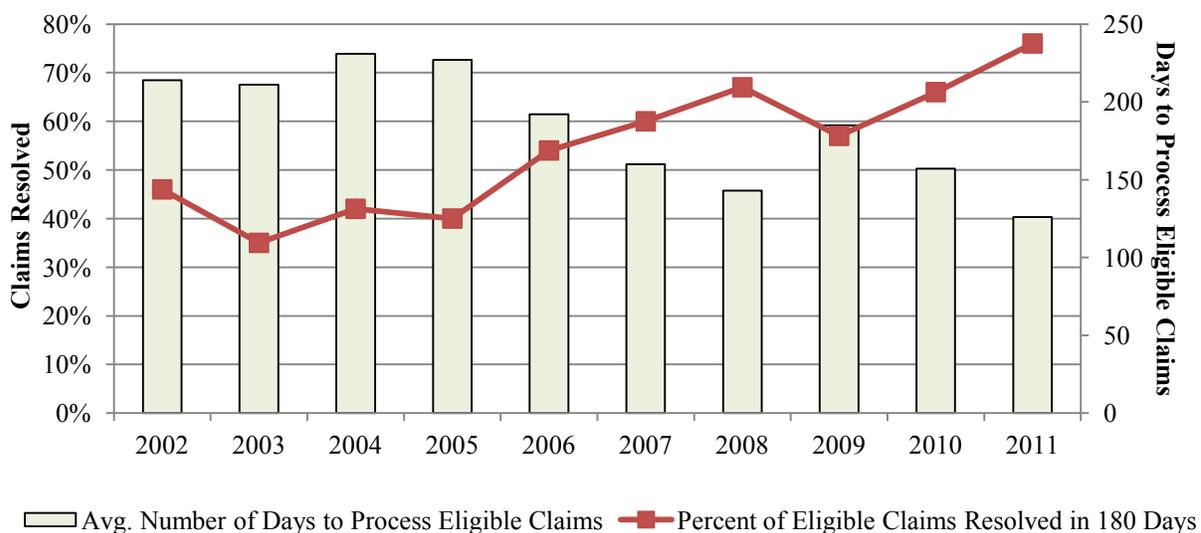
**Exhibit 2** demonstrates the agency's objective to resolve claims within a given timeframe. CICB aims to have 70.0% of eligible claims resolved within 180 days of determining eligibility. The agency has met this target for the first time in the last 10 years, with 76.0% of eligible claims processed within 180 days. This reflects considerable progress in comparison to prior years. Performance had dropped in fiscal 2009, when only 57.0% of claims were processed within the targeted timeframe, and it took an average of 185 days to process a claim. Productivity did improve in fiscal 2010 when the agency processed 66.0% of all CICB claims within 180 days, and the average processing time declined to 157 days. The progress continued in fiscal 2011, with the average processing time falling to 126 days, the quickest processing time in more than a decade. The agency's performance in fiscal 2011 reflects a 41.1% decrease in the average processing time within the last decade and a 65.2% increase in the percent of claims resolved within 180 days.

**Exhibit 1  
Eligible Claims Received  
Fiscal 2002-2011**



Source: Department of Public Safety and Correctional Services; Governor’s Budget Books, Fiscal 2013

**Exhibit 2  
Eligible Claims Processing  
Fiscal 2002-2011**



Source: Department of Public Safety and Correctional Services; Governor’s Budget Books, Fiscal 2013

## **Fiscal 2012 Actions**

Section 47 of the fiscal 2012 budget bill required the Governor to abolish 450 positions as of January 1, 2012. This agency's share of the reduction was 1 position. The annualized salary savings due to the abolition of this position is expected to be \$21,188 in special funds.

## **Proposed Budget**

As seen in **Exhibit 3**, the Governor's fiscal 2013 allowance reflects a \$482,000 reduction when compared to the fiscal 2012 working appropriation.

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**Exhibit 3**  
**Proposed Budget**  
**DPSCS – Criminal Injuries Compensation Board**  
**(\$ in Thousands)**

| <b>How Much It Grows:</b>  | <b>Special<br/><u>Fund</u></b> | <b>Federal<br/><u>Fund</u></b> | <b>Reimb.<br/><u>Fund</u></b> | <b><u>Total</u></b> |
|----------------------------|--------------------------------|--------------------------------|-------------------------------|---------------------|
| 2012 Working Appropriation | \$3,662                        | \$2,450                        | \$131                         | \$6,244             |
| 2013 Allowance             | <u>3,463</u>                   | <u>2,175</u>                   | <u>124</u>                    | <u>5,762</u>        |
| Amount Change              | -\$199                         | -\$275                         | -\$7                          | -\$482              |
| Percent Change             | -5.4%                          | -11.2%                         | -5.7%                         | -7.7%               |
| Contingent Reductions      | \$0                            | \$0                            | \$0                           | \$0                 |
| Adjusted Change            | -\$199                         | -\$275                         | -\$7                          | -\$482              |
| Adjusted Percent Change    | -5.4%                          | -11.2%                         | -5.7%                         | -7.7%               |

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**Where It Goes:**

**Personnel Expenses**

|   |     |
|---|-----|
| Increments and other compensation.....                  | -21 |
| Employee and retiree health insurance.....              | -22 |
| Employee retirement system.....                         | 8   |
| Turnover adjustments.....                               | -2  |
| Elimination of one-time fiscal 2012 employee bonus..... | -9  |
| Other fringe benefit adjustments.....                   | -2  |
| Contractual employee turnover expectancy .....          | -4  |

**Other Changes**

|                                       |      |
|---------------------------------------|------|
| Awards made to victims of crime ..... | -425 |
| Other.....                            | -5   |

**Total** **-\$482**

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

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**Personnel**

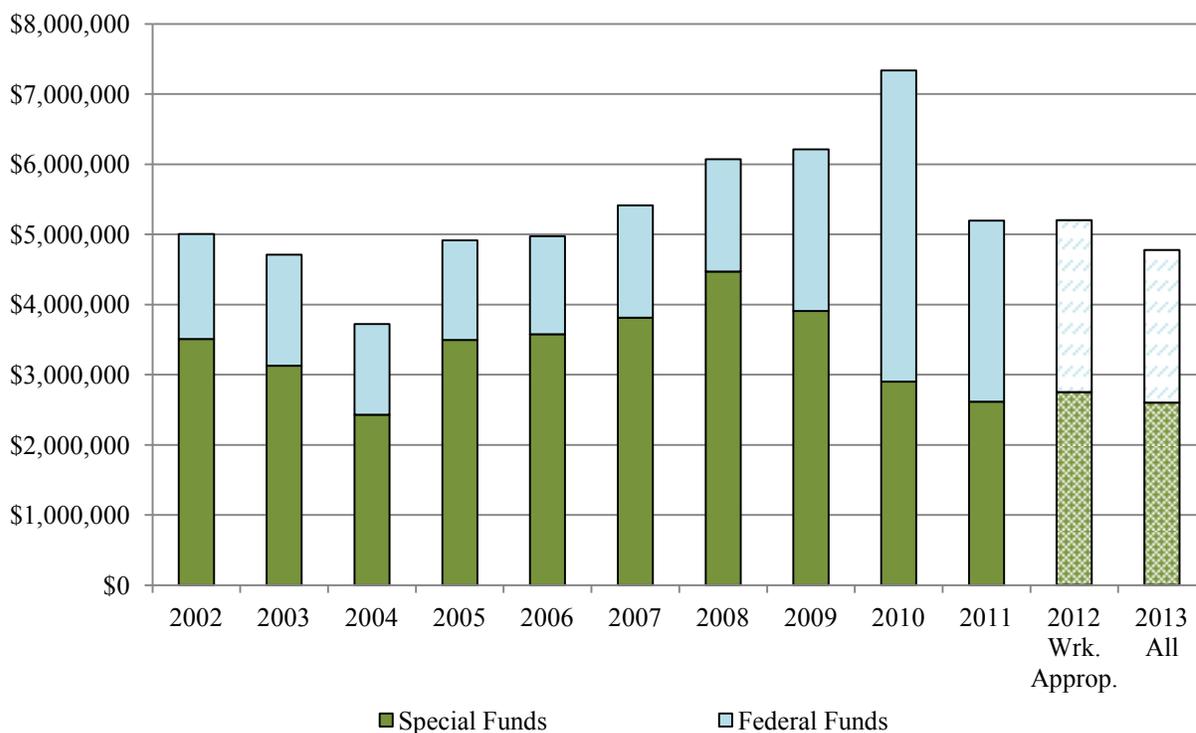
Personnel expenses account for 10.7% of the total decrease, declining by a net of \$52,000. The alignment of employee salaries in fiscal 2013 to reflect the actual positions lost through the Voluntary Separation Program and the elimination of the one-time fiscal 2012 employee bonus result in a \$30,000 reduction. Funding for employee and retiree health insurance also declines by \$22,000. Increased turnover expectancy for both regular and contractual employment further reduces the allowance by \$6,000. The agency currently has two positions vacant, one of which is the Executive Director, which has been vacant since August 2011. **The Department of Public Safety and Correctional Services (DPSCS) should comment on what steps have been taken to fill this position and when a new Executive Director will be hired.**

**Funding for Awards to Victims of Crime**

The fiscal 2013 allowance for awards made to victims of crime declines by \$425,000, accounting for 88.2% of the total reduction in this agency’s budget. This reflects a decrease of \$150,000 in special funds and \$275,000 in federal funds. 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.

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. As seen in **Exhibit 4**, funding for awards peaked in fiscal 2010 and has since declined significantly because the agency exhausted its available fund balance.

**Exhibit 4  
Awards Made to Victims of Crime  
Fiscal 2002-2013 Allowance**



Source: Department of Legislative Services

In fiscal 2011, a total of 1,630 claims were filed, of which 1,628 initially met the statutory minimum requirements. CICB ordered \$8.2 million in awards but was only able to disburse \$5.2 million during the fiscal year due to fiscal constraints. As of January 27, 2011, the board had a backlog of 207 claims, totaling \$1.2 million, that had been awarded during fiscal 2011 but have yet to be paid. This is in violation of Criminal Procedure Article §11-812 (a), which states that the board may not make an award unless money is appropriated and available for the full amount of the award. CICB awarded \$3.0 million beyond the available appropriation in fiscal 2011, which is nearly equal to the entire amount of special fund revenue collected each year. For fiscal 2012, the board has reviewed 374 claims, totaling \$2.4 million but has not yet awarded the claims due to funding limitations. Because of the significant over commitment in fiscal 2011, the backlog will persist unless additional revenue is made available.

With demand for awards far exceeding the available funding, CICB has had to prioritize the claims. Awards where signed decisions were mailed to the claimants despite the lack of available

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funding are being addressed first. Among those awards, the board gave priority to paying claimants/victims directly, followed by small businesses, such as physicians, dentists, and funeral homes. Finally, the board is in the process of negotiating with large providers for 25% settlements. As the previously promised awards are paid down, CICB will address the awards which were reviewed by the board but no decisions have been sent. The current total outstanding balance for awards is \$3.6 million.

DPSCS has again introduced legislation, Senate Bill 122 of 2012, to increase the funding for these grants by generating additional revenue for the CICF. The proposed legislation would increase circuit and District court costs by \$15 each and traffic court costs by \$2. **Exhibit 5** provides a comparison of how the fees are appropriated under current law versus the proposed changes. Furthermore, with the structure of the federal funding formula, increased State spending for awards to victims of crime will eventually increase the federal appropriation as well. If the proposed legislation is enacted, a budget amendment or deficiency appropriation for approximately \$2.2 million will be required in fiscal 2013.

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**Exhibit 5**  
**Proposed Fee Changes Contributing to the Criminal Injuries Compensation Fund**

|   | <u>Current</u>                                       | <u>New</u>   |
|---|--|--|
| <b>Circuit Court Costs</b>                        | \$45.00  | \$60.00  |
| Split   |  |  |
| State Victims of Crime Fund                       | 22.50  | 22.50  |
| Victim and Witness Protection and Relocation Fund | 2.50   | 2.50   |
| Criminal Injuries Compensation Fund               | 20.00  | 35.00  |
| <b>District Court Costs</b>                       | \$35.00  | \$50.00  |
| Split   |  |  |
| State Victims of Crime Fund                       | 12.50  | 12.50  |
| Victim and Witness Protection and Relocation Fund | 2.50   | 2.50   |
| Criminal Injuries Compensation Fund               | 20.00  | 35.00  |
| <b>Additional Court Costs</b>                     | \$3.00   | \$5.00   |
| Split   |  |  |
| State Victims of Crime Fund                       | 50% of the first<br>\$500,000                        | 50% of the first<br>\$500,000                        |
| Criminal Injuries Compensation Fund               | 50% of the first<br>\$500,000 plus<br>100% of excess | 50% of the first<br>\$500,000 plus 100% of<br>excess |

Source: Courts and Judicial Proceedings Article Section 7-409 of the Annotated Code of Maryland; Department of Public Safety and Correctional Services

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**CICB should comment on the status of Senate Bill 122 and identify when the fiscal 2011 outstanding awards will be paid in full. The agency should also address any potential concerns relating to the statutory violations committed by the board in fiscal 2011 and what corrective actions have been taken to remedy the situation.**

## ***Recommended Actions***

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1. Concur with Governor's allowance.

## *Current and Prior Year Budgets*

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### Current and Prior Year Budgets DPSCS – Criminal Injuries Compensation Board (\$ in Thousands)

|                                  | <u>General<br/>Fund</u> | <u>Special<br/>Fund</u> | <u>Federal<br/>Fund</u> | <u>Reimb.<br/>Fund</u> | <u>Total</u>   |
|----------------------------------|-------------------------|-------------------------|-------------------------|------------------------|----------------|
| <b>Fiscal 2011</b>               |                         |                         |                         |                        |                |
| Legislative<br>Appropriation     | \$0                     | \$3,594                 | \$3,100                 | \$0                    | \$6,694        |
| Deficiency<br>Appropriation      | 0                       | 0                       | 0                       | 0                      | 0              |
| Budget<br>Amendments             | 0                       | 0                       | 0                       | 113                    | 113            |
| Reversions and<br>Cancellations  | 0                       | -312                    | -381                    | -41                    | -735           |
| <b>Actual<br/>Expenditures</b>   | <b>\$0</b>              | <b>\$3,282</b>          | <b>\$2,719</b>          | <b>\$72</b>            | <b>\$6,073</b> |
| <b>Fiscal 2012</b>               |                         |                         |                         |                        |                |
| Legislative<br>Appropriation     | \$0                     | \$3,654                 | \$2,450                 | \$131                  | \$6,235        |
| Budget<br>Amendments             | 0                       | 9                       | 0                       | 0                      | 9              |
| <b>Working<br/>Appropriation</b> | <b>\$0</b>              | <b>\$3,662</b>          | <b>\$2,450</b>          | <b>\$131</b>           | <b>\$6,244</b> |

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

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## **Fiscal 2011**

Special fund spending for fiscal 2011 totaled nearly \$3.3 million, a reduction of approximately \$312,000. The agency cancelled these funds at the end of the fiscal year as a result of receiving less court fee revenues than anticipated.

Federal fund expenditures totaled \$2.7 million for fiscal 2011, a decrease of \$381,000 from the legislative appropriation. The agency cancelled these funds at the end of the fiscal year as a result of receiving less revenue from the Victims of Crime Act grant than anticipated.

Reimbursable fund spending totaled \$72,000. The agency had two budget amendments establishing a reimbursable fund appropriation totaling \$113,000. These amendments provided grant funding from the Governor’s Office of Crime Control and Prevention to support victim services. At the end of the fiscal year, the agency cancelled approximately \$41,000 due to unexpended grant funds from the Bridging the Gap program; however, the agency will carry these grant funds forward for use in fiscal 2012.

## **Fiscal 2012**

The fiscal 2012 special fund working appropriation reflects a \$9,000 increase over the legislative appropriation due to the reallocation of the one-time employee bonus originally budgeted within the Department of Budget and Management.

## ***Audit Findings***

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|                              |                                    |
|------------------------------|------------------------------------|
| Audit Period for Last Audit: | April 22, 2008 – February 21, 2011 |
| Issue Date:                  | February 2012                      |
| Number of Findings:          | 4                                  |
| Number of Repeat Findings:   | n/a                                |
| % of Repeat Findings:        | n/a                                |
| Rating: (if applicable)      |                                    |

- Finding 1:*** Claims processing was not always performed timely and in accordance with existing procedures or State law.
- Finding 2:*** Access to the electronic claims database was not properly restricted, and payment verification procedures need improvement.
- Finding 3:*** Effective November 2010, CICB no longer requested applicants to provide social security numbers.
- Finding 4:*** Controls over revenue recovery billings and payments were inadequate.

\*Bold denotes item repeated in full or part from preceding audit report.

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

| <u>Object/Fund</u>                      | <u>FY 11<br/>Actual</u> | <u>FY 12<br/>Working<br/>Appropriation</u> | <u>FY 13<br/>Allowance</u> | <u>FY 12 - FY 13<br/>Amount Change</u> | <u>Percent<br/>Change</u> |
|---|-------------------------|--|----------------------------|--|---------------------------|
| <b>Positions</b>                        |                         |  |                            |  |                           |
| 01 Regular                              | 14.00                   | 12.00                                      | 12.00                      | 0.00                                   | 0%                        |
| 02 Contractual                          | 4.05                    | 6.90                                       | 6.90                       | 0.00                                   | 0%                        |
| <b>Total Positions</b>                  | <b>18.05</b>            | <b>18.90</b>                               | <b>18.90</b>               | <b>0.00</b>                            | <b>0%</b>                 |
| <b>Objects</b>                          |                         |  |                            |  |                           |
| 01 Salaries and Wages                   | \$ 610,258              | \$ 729,340                                 | \$ 681,202                 | -\$ 48,138                             | -6.6%                     |
| 02 Technical and Spec. Fees             | 150,647                 | 216,945                                    | 212,880                    | -4,065                                 | -1.9%                     |
| 03 Communication                        | 13,563                  | 13,600                                     | 13,150                     | -450                                   | -3.3%                     |
| 04 Travel                               | 6,434                   | 7,945                                      | 6,500                      | -1,445                                 | -18.2%                    |
| 08 Contractual Services                 | 26,930                  | 32,450                                     | 30,950                     | -1,500                                 | -4.6%                     |
| 09 Supplies and Materials               | 3,972                   | 6,000                                      | 5,000                      | -1,000                                 | -16.7%                    |
| 10 Equipment – Replacement              | 22,036                  | 0  | 0                          | 0                                      | 0.0%                      |
| 11 Equipment – Additional               | 200                     | 0  | 0                          | 0                                      | 0.0%                      |
| 12 Grants, Subsidies, and Contributions | 5,197,159               | 5,200,000                                  | 4,775,000                  | -425,000                               | -8.2%                     |
| 13 Fixed Charges                        | 41,394                  | 37,307                                     | 37,285                     | -22                                    | -0.1%                     |
| <b>Total Objects</b>                    | <b>\$ 6,072,593</b>     | <b>\$ 6,243,587</b>                        | <b>\$ 5,761,967</b>        | <b>-\$ 481,620</b>                     | <b>-7.7%</b>              |
| <b>Funds</b>                            |                         |  |                            |  |                           |
| 03 Special Fund                         | \$ 3,281,782            | \$ 3,662,454                               | \$ 3,463,296               | -\$ 199,158                            | -5.4%                     |
| 05 Federal Fund                         | 2,719,000               | 2,450,000                                  | 2,175,000                  | -275,000                               | -11.2%                    |
| 09 Reimbursable Fund                    | 71,811                  | 131,133                                    | 123,671                    | -7,462                                 | -5.7%                     |
| <b>Total Funds</b>                      | <b>\$ 6,072,593</b>     | <b>\$ 6,243,587</b>                        | <b>\$ 5,761,967</b>        | <b>-\$ 481,620</b>                     | <b>-7.7%</b>              |

Note: The fiscal 2012 appropriation does not include deficiencies.