

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

Operating Budget Data

(\$ in Thousands)

	FY 16	FY 17	FY 18	FY 17-18	% Change
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>	<u>Prior Year</u>
Special Fund	\$3,083	\$3,538	\$3,272	-\$266	-7.5%
Adjustments	0	0	-3	-3	
Adjusted Special Fund	\$3,083	\$3,538	\$3,269	-\$269	-7.6%
Federal Fund	2,037	1,700	1,900	200	11.8%
Adjusted Federal Fund	\$2,037	\$1,700	\$1,900	\$200	11.8%
Reimbursable Fund	58	23	72	49	218.4%
Adjusted Reimbursable Fund	\$58	\$23	\$72	\$49	218.4%
Adjusted Grand Total	\$5,178	\$5,261	\$5,241	-\$20	-0.4%

Note: Includes targeted reversions, deficiencies, and contingent reductions.

- The fiscal 2018 allowance decreases by a net of \$20,000, or 0.4%, compared to the fiscal 2017 working appropriation. The decline is primarily the result of a \$250,000 decrease in special fund awards made to victims of crime from the Criminal Injuries Compensation Fund. This amount is nearly equally offset by a \$200,000 increase in federal funds for Crime Victim Compensation.
- For fiscal 2018, reimbursable funds increased by \$49,000, largely due to changes in contractual turnover expectancy.

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

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Personnel Data

	<u>FY 16</u> <u>Actual</u>	<u>FY 17</u> <u>Working</u>	<u>FY 18</u> <u>Allowance</u>	<u>FY 17-18</u> <u>Change</u>
Regular Positions	11.00	11.00	11.00	0.00
Contractual FTEs	<u>2.72</u>	<u>5.29</u>	<u>5.29</u>	<u>0.00</u>
Total Personnel	13.72	16.29	16.29	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	0.00	0.00%
Positions and Percentage Vacant as of 12/31/16	n/a	n/a

- The allowance includes no changes for regular positions or contractual full-time equivalents.

Analysis in Brief

Major Trends

Claims and Eligibility: After a period of receiving a declining number of claims each year, the Criminal Injuries Compensation Board (CICB) has seen the number of eligible claims rise in fiscal 2014, 2015, and 2016. Despite implementing a stricter goal of resolving 75% of eligible claims within 120 days of determining eligibility, CICB’s claim processing performance in the last three fiscal years has exceeded the goal of 75% by at least 8 percentage points each year. In addition, 95% of claims were resolved in fiscal 2016, and the average number of days to process a claim was significantly reduced for the fourth year in a row.

Issues

New Project: Victims’ Services Unit: In order to improve compensation and services for crime victims and enhance the collection of restitution funds from criminals, the Governor’s Office of Crime Control and Prevention (GOCCP) recommended in the December 2016 *Report on Restitution Study* that a new unit called the Victims’ Services Unit (VSU) be formed within GOCCP to collect data, develop best practices, and coordinate with State and local entities regarding restitution. This new unit would include CICB. **The Department of Legislative Services recommends that CICB comment on its potential role in the new VSU, and update the committee on associated needs and potential savings.**

Recommended Actions

1. Concur with Governor’s allowance.

Q00K00 – DPSCS – Criminal Injuries Compensation Board

Q00K00
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. If a disability-related claim of \$25,000 has been awarded to the victim and 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.

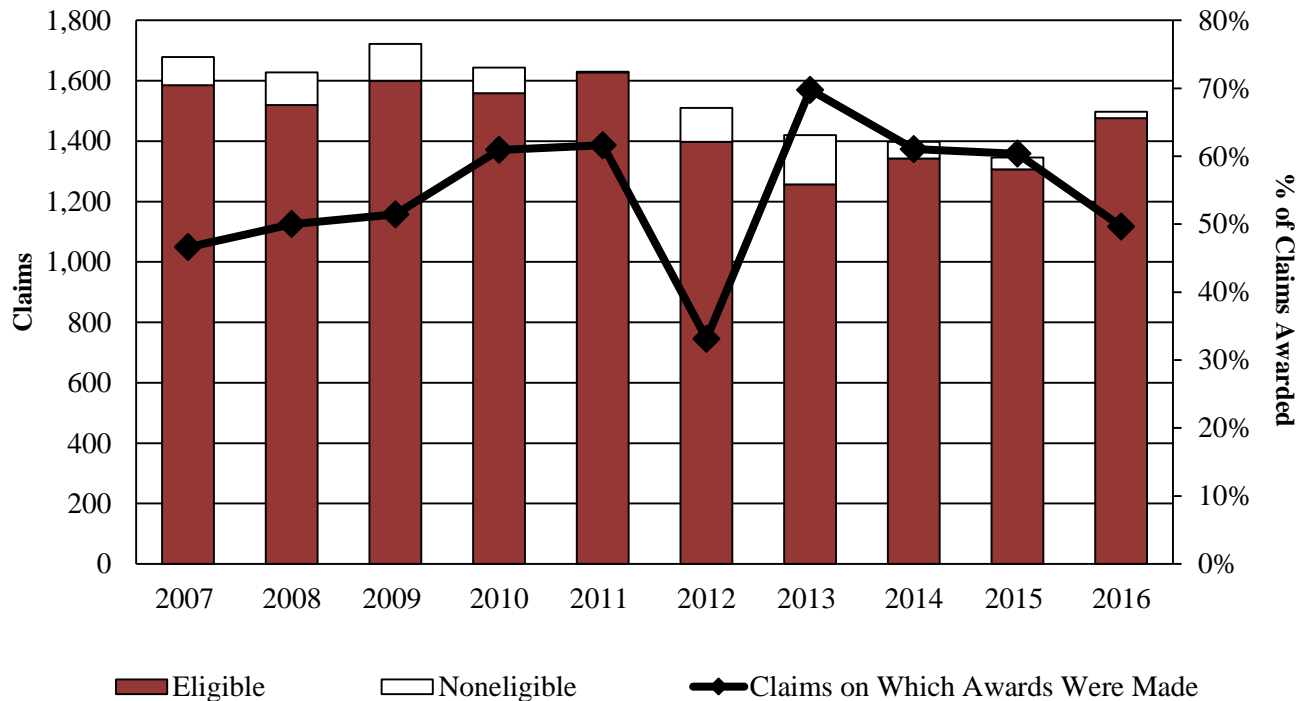
Performance Analysis: Managing for Results

1. Claims and Eligibility

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. In order for payment to be made on an eligible claim, the crime must be reported to an authority, the claimant must have suffered financial loss of at least \$100, the crime must be reported within 48 hours (unless good cause is shown), the victim or claimant must cooperate with the authorities and CICB, the victim or claimant cannot have contributed to their victimization, and the victim or claimant must have exhausted all other sources for reimbursement.

Exhibit 1 reflects the number of eligible and noneligible claims received each year, as well as the percentage of eligible claims on which awards were made. In order to be eligible, claims must be made within three years of the crime (except in some cases of child abuse), the injury must have occurred in Maryland (except in some cases of international terrorism), and the claimant must have suffered a physical or psychological injury.

**Exhibit 1
Claims Received
Fiscal 2007-2016**



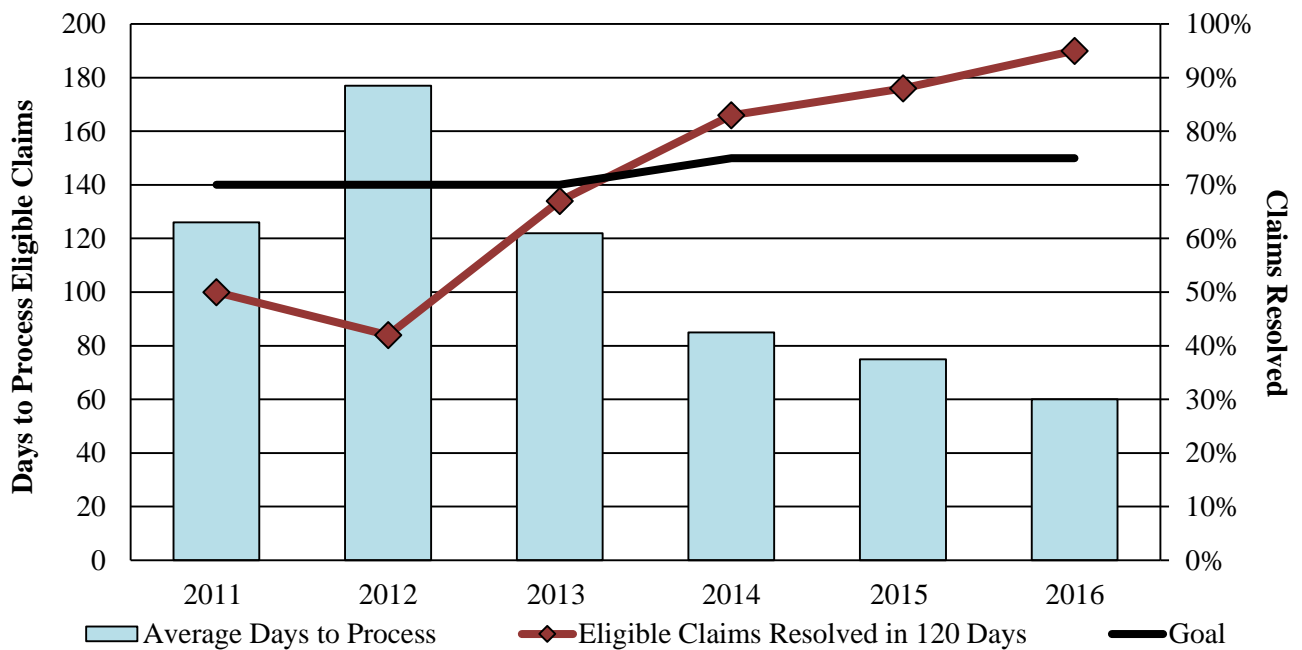
Source: Governor’s Budget Books, Fiscal 2006-2015

After a period of decline in the number of eligible claims received, CICB had a brief increase of 6.8% in fiscal 2014. Currently, the upward trend in eligible claims has resumed, as the number of eligible claims in fiscal 2016 increased by 169, or 12.9% over fiscal 2015. About 99% of the total claims received in fiscal 2016 were deemed eligible, a slightly larger proportion than the 97% in fiscal 2015.

After reaching a low of making awards on only 33% of eligible claims in fiscal 2012, the awards on eligible claims reached 60% in fiscal 2014 and 2015. However, in fiscal 2016, the number of awards made on eligible claims decreased to 50%. Due to a provision in State law, all child abuse claims must be brought to CICB within three years of discovery by the parent or guardian. In fiscal 2016, this law was amended to extend the three-year filing period, so the State encouraged child abuse centers to submit claims right away. This resulted in a number of ineligible applications being submitted. While these applications could conceivably be reopened in the future, the end result for fiscal 2016 is that the number of claims on which awards were made dropped.

Exhibit 2 demonstrates the agency’s objective to resolve claims within a given timeframe. Prior to fiscal 2014, the goal was to issue a final decision for at least 70% of eligible claims within 180 days of determining eligibility. CICB’s current goal is to issue a final decision for at least 75% of eligible claims within 120 days of determining eligibility. Despite the stricter goal, CICB’s performance exceeded the goal of 75% for three years in a row and reached 95% in fiscal 2016.

Exhibit 2
Eligible Claims Processing Time
Fiscal 2011-2016



Source: Governor’s Budget Books, Fiscal 2006-2016

The average number of days to process a claim was significantly reduced for the fourth year in a row. In fiscal 2012, it took 177 days to process a claim. In fiscal 2016, it took approximately 60 days, a 66% reduction. Beginning in fiscal 2013, CICB began making procedural changes in order to streamline the claims process, including the establishment of a new funeral and burial claims procedure, an improved process for identifying and reviewing delayed claims, and clarification and establishment of procedures related to “show cause orders.” In addition, CICB instituted new performance measures to hold employees accountable for the processing of claims within statutory timeframes. New procedures were added to hold claims examiners accountable for aging claims, and timely handling of claims is now a measure on employee performance reviews. As a result, processing time has continued to decrease. Finally, the total number of days to process claims has continued to decrease over time as CICB has eliminated many of the older, pending claims and can focus on the incoming new claims.

Proposed Budget

As seen in **Exhibit 3**, the Governor’s allowance for CICB decreases by \$20,000, or 0.4%, over the fiscal 2017 working appropriation. The decrease is attributable to an increase in federal and reimbursable funds, partially offset by a reduction in special funds.

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

How Much It Grows:	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2016 Actual	\$3,083	\$2,037	\$58	\$5,178
Fiscal 2017 Working Appropriation	3,538	1,700	23	5,261
Fiscal 2018 Allowance	<u>3,269</u>	<u>1,900</u>	<u>72</u>	<u>5,241</u>
Fiscal 2017-2018 Amount Change	-\$269	\$200	\$49	-\$20
Fiscal 2017-2018 Percent Change	-7.6%	11.8%	218.4%	-0.4%

Where It Goes:

Personnel Expenses

Turnover expectancy.....	\$4
Employee retirement system (less pension sweeper contingent reduction).....	-2
Overtime	-1
Employee and retiree health insurance	-15

Awards

Federal crime victim compensation	200
Awards made to victims of crime (State Criminal Injuries Compensation Fund)	-250

Other Changes

Contractual turnover expectancy	50
Education/training contracts	-5
Other	-1

Total **-\$20**

DPSCS: Department of Public Safety and Correctional Services

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

Across-the-board Reductions

The fiscal 2018 budget bill includes a \$54.5 million (all funds) across-the-board contingent reduction for a supplemental pension payment. Annual payments are mandated for fiscal 2017 through 2020 if the Unassigned General Fund balance exceeds a certain amount at the close of the fiscal year. The Department of Public Safety and Correctional Services (DPSCS) – Administration’s share of these reductions is a negative \$2,877 in special funds. This action is tied to a provision in the Budget Reconciliation and Financing Act of 2017.

Personnel Expenses and Other Changes

Personnel expenses decrease by an approximate total of \$14,000, once adjusted for the fiscal 2018 across-the-board pension contingent reduction. Decreases of \$2,000 for the employee retirement system, \$1,000 in overtime, and \$15,000 for employee and retiree health insurance are offset by a \$4,000 increase in turnover expectancy. The reduction of approximately \$5,000 for education/training contracts was a one-time technical correction to account for conference travel expenses.

Compensation to Crime Victims

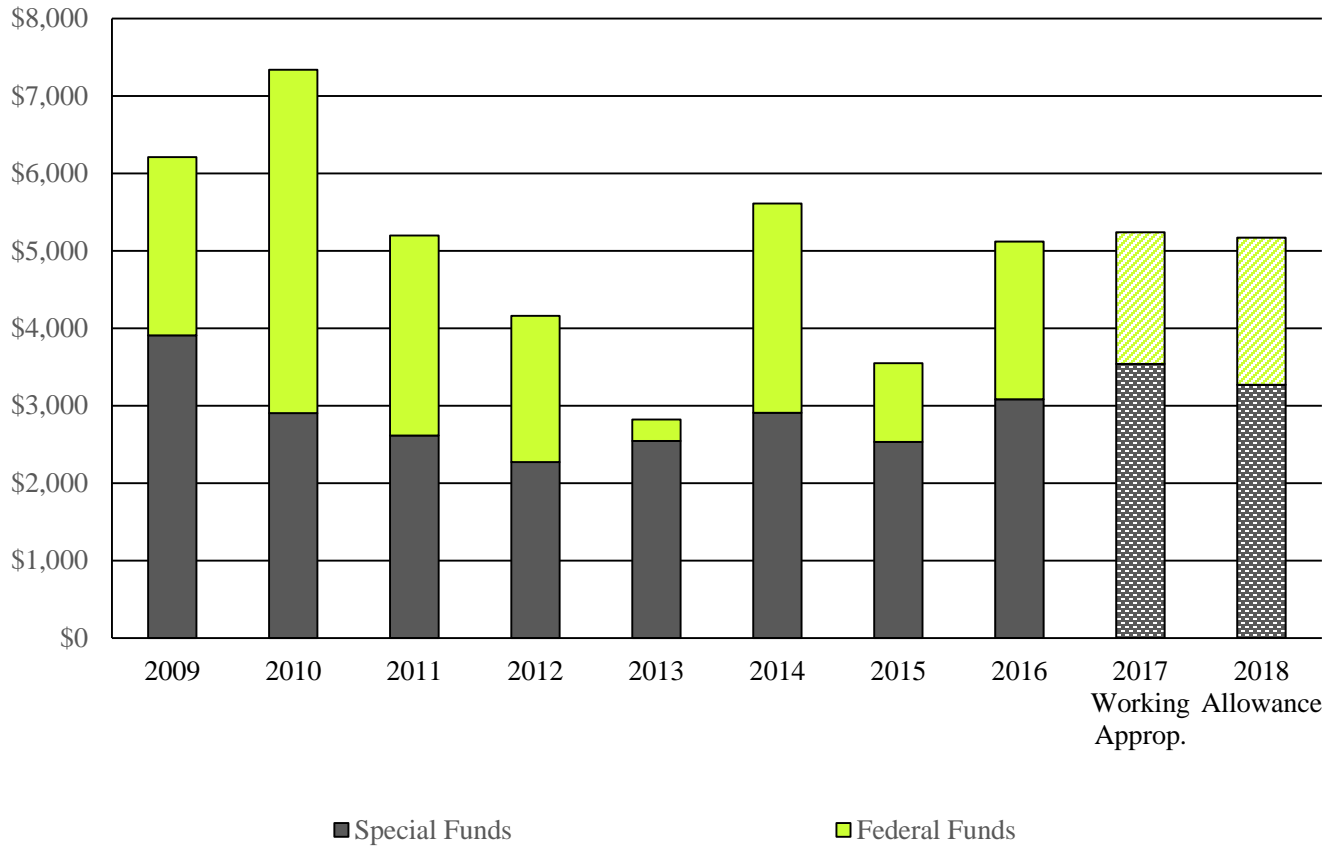
In terms of compensation, the single largest budgetary change is a \$250,000 decrease in awards made to victims of crime from the CICF, which is offset by an increase in \$200,000 in federal funds for victims.

Funding for awards peaked in fiscal 2010 and declined significantly until fiscal 2013 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. In fiscal 2015 and 2016, federal funding for awards made to victims of crime increased gradually, consistent with the prior year increase in special fund expenditures. **Exhibit 4** shows the funding history for awards made to victims of crime since fiscal 2009.

Annual special fund revenue from the CICF is approximately \$3.3 million. Compensation expenditures increased 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 2009 and 2012, after the fund balance had been exhausted, had a negative impact on federal revenue. Special fund expenditures have stabilized at a slightly higher level than in fiscal 2012, above the \$3 million level.

CICB does not currently have a backlog in claims eligible for award. 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 the fund of last resort; denying all claims otherwise eligible for reimbursement from other sources; negotiating claims with large medical providers; and requiring that CICB claimants file for medical assistance, workers’ compensation benefits, Social Security disability, and other appropriate reimbursement sources before being processed by CICB.

Exhibit 4
Awards Made to Victims of Crime
Fiscal 2009-2018
(\$ in Thousands)



Source: Department of Legislative Services

Issues

1. New Project: Victims' Services Unit

The Justice Reinvestment Act requires the State to study and report on issues related to restitution. In order to improve compensation and services for crime victims, and enhance the collection of restitution funds from criminals, the Governor's Office of Crime Control and Prevention (GOCCP) recommended in the December 2016 *Report on Restitution Study* that a new unit called the Victims' Services Unit (VSU) be formed within GOCCP to collect data, develop best practices, and coordinate with State and local entities regarding restitution.

CICB Duties and Place in VSU Structure

Overall, CICB along with DPSCS, the Department of Juvenile Services, and the Central Collection Unit (CCU) would be charged with determining what percent of restitution order amounts are satisfied in each jurisdiction, and categorize them by offense. In addition, the structure would be as follows: CICB and the Sexual Assault Forensic Examination Reimbursement Unit (under the Department of Health and Mental Hygiene (DHMH)) will consolidate under GOCCP.

The primary goals of this consolidation are to (1) maximize restitution payments to crime victims; (2) establish cost savings via efficiencies created by the consolidation; and (3) provide improved services for victims of crime. VSU would be charged with the following tasks:

- consulting with all relevant agencies regarding the forming of VSU;
- studying the current restitution collection system and the agencies involved, if necessary, to make optimal structural changes;
- developing outcome measures for restitution and other victim services;
- developing standards for victim notification, restitution, and recordkeeping;
- expediting earnings withholding orders, so that funds can be collected from employed ex-offenders who were previously not paying restitution; and
- creating an automated information system to collect restitution data from DPSCS's case management system, CICB, CCU, and local correctional facilities; this data will show county restitution amounts categorized by offense and will show what percentage of the amount has been fulfilled.

Fiscal Impact

The consolidation of victim-serving entities, such as CICB, will result in a general fund cost savings. For example, in the case of a crime, if payments for sexual abuse forensic exams are made through CICB rather than DHMH, general funds could be replaced with special funds from CICB, of which 60% of the money will be reimbursed to the State by the federal government. According to the report, the State would receive approximately \$800,000 per year, based on fiscal 2015 numbers. In addition, consolidating CICB under GOCCP would result in savings of administrative expenses (*e.g.*, no need for a director). **The Department of Legislative Services recommends that CICB comment on its potential role in the new VSU, and update the committee on associated needs and potential savings.**

Recommended Actions

1. Concur with Governor's allowance.

Appendix 1
Object/Fund Difference Report
DPSCS – Criminal Injuries Compensation Board

<u>Object/Fund</u>	<u>FY 16</u> <u>Actual</u>	<u>FY 17</u> <u>Working</u> <u>Appropriation</u>	<u>FY 18</u> <u>Allowance</u>	<u>FY 17 - FY 18</u> <u>Amount Change</u>	<u>Percent</u> <u>Change</u>
Positions					
01 Regular	11.00	11.00	11.00	0.00	0%
02 Contractual	2.72	5.29	5.29	0.00	0%
Total Positions	13.72	16.29	16.29	0.00	0%
Objects					
01 Salaries and Wages	\$ 807,514	\$ 845,756	\$ 834,336	-\$ 11,420	-1.4%
02 Technical and Spec. Fees	107,316	114,276	163,808	49,532	43.3%
03 Communication	9,998	12,245	10,525	-1,720	-14.0%
04 Travel	2,853	3,200	3,200	0	0%
06 Fuel and Utilities	5,517	4,700	5,810	1,110	23.6%
08 Contractual Services	50,927	36,500	30,250	-6,250	-17.1%
09 Supplies and Materials	8,541	6,000	7,500	1,500	25.0%
12 Grants, Subsidies, and Contributions	4,148,377	4,200,000	4,150,000	-50,000	-1.2%
13 Fixed Charges	36,728	38,311	38,627	316	0.8%
Total Objects	\$ 5,177,771	\$ 5,260,988	\$ 5,244,056	-\$ 16,932	-0.3%
Funds					
03 Special Fund	\$ 3,082,840	\$ 3,538,356	\$ 3,271,991	-\$ 266,365	-7.5%
05 Federal Fund	2,036,569	1,700,000	1,900,000	200,000	11.8%
09 Reimbursable Fund	58,362	22,632	72,065	49,433	218.4%
Total Funds	\$ 5,177,771	\$ 5,260,988	\$ 5,244,056	-\$ 16,932	-0.3%

DPSCS: Department of Public Safety and Correctional Services

Note: Does not include targeted reversions, deficiencies, and contingent reductions.