

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

Operating Budget Data

(\$ in Thousands)

	<u>FY 09</u> <u>Actual</u>	<u>FY 10</u> <u>Working</u>	<u>FY 11</u> <u>Allowance</u>	<u>FY 10-11</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
Special Fund	\$4,614	\$4,523	\$3,610	-\$913	-20.2%
Contingent & Back of Bill Reductions	0	0	-13	-13	
Adjusted Special Fund	\$4,614	\$4,523	\$3,597	-\$926	-20.5%
Federal Fund	2,300	2,500	3,100	600	24.0%
Adjusted Federal Fund	\$2,300	\$2,500	\$3,100	\$600	24.0%
Adjusted Grand Total	\$6,914	\$7,023	\$6,697	-\$326	-4.6%

Note: For purposes of illustration, the Department of Legislative Services has estimated the distribution of selected across-the-board reductions. The actual allocations are to be developed by the Administration.

- One federal fund deficiency appropriation provides the Criminal Injuries Compensation Board (CICB) with approximately \$571,000 in American Recovery and Reinvestment Act of 2009 funding to support State victim compensation payments to eligible crime victims.
- The fiscal 2011 allowance decreases by approximately \$326,000, or 4.6%. This largely reflects the net reduction in funding available for grant awards to victims of crime.

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

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Personnel Data

	<u>FY 09 Actual</u>	<u>FY 10 Working</u>	<u>FY 11 Allowance</u>	<u>FY 10-11 Change</u>
Regular Positions	7.00	14.00	14.00	0.00
Contractual FTEs	<u>7.05</u>	<u>3.60</u>	<u>1.85</u>	<u>-1.75</u>
Total Personnel	14.05	17.60	15.85	-1.75

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	0.00	0.00%
Positions and Percentage Vacant as of 12/31/09	3.00	21.43%

- In the fiscal 2010 appropriation, the agency received 7.0 positions for the conversion of contractual employees to regular State employees. These employees continued to work as contractual employees until the necessary paperwork was processed to put them into the new regular positions, which finally occurred at the end of September 2009. The reduction of 1.75 contractual positions in the fiscal 2011 allowance is the 7.0 contractual positions that were filled for 25% of the year in fiscal 2010 and eliminated in fiscal 2011.

- The 1.85 contractual positions in the fiscal 2011 allowance are for the CICB chairman and four board members, as required by statute.

Analysis in Brief

Major Trends

Eligible Claims Processing: CICB was not able to meet its goal of having 70% of eligible claims resolved within 180 days. Only 57% of claims were processed within the targeted timeframe in fiscal 2009. Additionally, the average number of days it needed to process the claim increased from 143 days in fiscal 2008 to 185 days in fiscal 2009. **The agency should comment on what has caused its efficiency of operations to decline and why it was unable to meet its fiscal 2009 goal.**

Issues

State Funding for Crime Victim Compensation: As a result of a number of operational improvements between fiscal 2002 and 2004, CICB has increased the number of awards made to victims of crime and the amount of State funding used to support this purpose. The board used fund balance to help support this growth, but the fund balance has been exhausted as of fiscal 2009. Expenditures have been in excess of available revenue since fiscal 2005. **CICB should comment on the likelihood that the number of eligible claims will exceed the available funding and how the board intends to address that situation, so as to ensure that all eligible victims of crime will receive State assistance.**

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

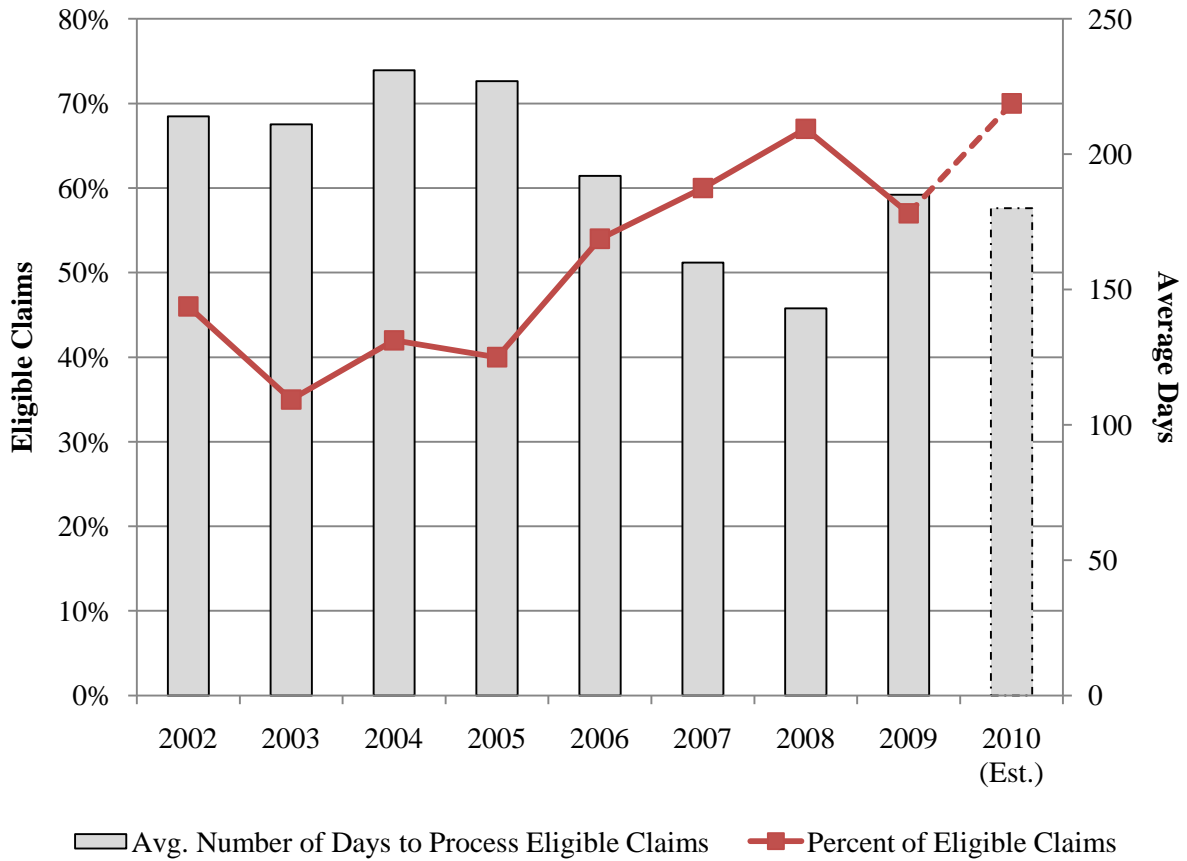
Program Description

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

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** demonstrates the agency's objective to resolve claims within a given time frame. Beginning with fiscal 2009 and each year thereafter, CICB aims to have 70% of eligible claims resolved within 180 days of determining eligibility. Although the agency has yet to meet this target, it had been making progress toward obtaining the goal. In fiscal 2008, 67% of eligible claims were resolved within 180 days, which was a marked improvement from the most recent low in fiscal 2003 when the agency was only resolving 35% of claims within 180 days. Performance dropped, however, in fiscal 2009, when only 57% of claims were processed within the targeted timeframe. Additionally, the average number of days it took to process a claim increased from 143 days in fiscal 2008 to 185 days in fiscal 2009. **The agency should comment on what has caused its efficiency of operations to decline and why it was unable to meet its fiscal 2009 goal.**

Exhibit 1
Criminal Injuries Compensation Board
Percent of Eligible Claims Resolved in 180 Days
Fiscal 2002-2010 (Est.)



Source: Department of Public Safety and Correctional Services

Fiscal 2010 Actions

Proposed Deficiency

There is one fiscal 2010 deficiency appropriation for the CICB, which provides approximately \$571,000 in federal American Recovery and Reinvestment Act of 2009 (ARRA) funding to support State victim compensation payments to eligible crime victims. This deficiency appropriation is not assumed to be ongoing in the fiscal 2011 allowance.

Impact of Cost Containment

Fiscal 2010 cost containment actions reduced the special fund appropriation by \$13,567. This reflects the impact of employee furloughs across the agency.

Proposed Budget

As shown in **Exhibit 2**, the Governor's fiscal 2011 allowance decreases by \$326,000, or 4.6%, below the fiscal 2010 working appropriation. The fiscal 2011 budget reflects several across-the-board actions to be allocated by the Administration. Nongeneral fund reductions include a combination of employee furloughs and government shut-down days similar to the plan adopted in fiscal 2010; a reduction in overtime based on accident leave management; a change in the injured workers' settlement policy and administrative costs; and a savings in health insurance to reflect a balance in that account. For purposes of illustration the Department of Legislative Services (DLS) has estimated the distribution of selected actions relating to employee furloughs and health insurance. DLS estimates the impact to CICB would be approximately \$13,000.

The fiscal 2011 allowance includes slight reductions for contractual printing services and the elimination of in-state and out-of-state conference travel, totaling \$12,000. Funding for contractual full-time-equivalent positions is also reduced by \$52,000. This reduction is the elimination of residual funding from the contractual conversion of 7.0 positions in the fiscal 2010 budget. Since the contractual positions were filled at the time of conversion, CICB retained 0.25 for each converted position until the necessary paperwork could be completed. These positions were converted as of September 2009; therefore, the 1.75 in contractual positions are no longer needed.

The majority of the decrease in fiscal 2011, approximately \$294,000, is attributable to less net funding available for compensation to victims of crime. Federal funding for this purpose increased by approximately \$600,000, but this is offset by an \$894,000 reduction in special funds.

**Exhibit 2
Proposed Budget
DPSCS – Criminal Injuries Compensation Board
(\$ in Thousands)**

How Much It Grows:	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Total</u>
2010 Working Appropriation	\$4,523	\$2,500	\$7,023
2011 Allowance	<u>3,610</u>	<u>3,100</u>	<u>6,710</u>
Amount Change	-\$913	\$600	-\$313
Percent Change	-20.2%	24.0%	-4.5%
 Across-the-board Reductions	 -\$13	 \$0	 -\$13
Adjusted Change	-\$926	\$600	-\$326
Adjusted Percent Change	-20.5%	24.0%	-4.6%
 Where It Goes:			
Personnel Expenses			
Employee and retiree health insurance			-\$6
Employee retirement system			13
Turnover adjustments net of furloughs			30
Other fringe benefit adjustments			1
Other Changes			
Increase in federal funding for awards to victims of crime.....			600
Reduction in special funding available from Criminal Injuries Compensation Fund for awards to victims of crime			-894
Reduction in contractual positions			-52
Eliminated funding for in-state and out-of-state conference travel.....			-6
Reduction in contractual printing services			-6
Other			-6
Total			-\$326

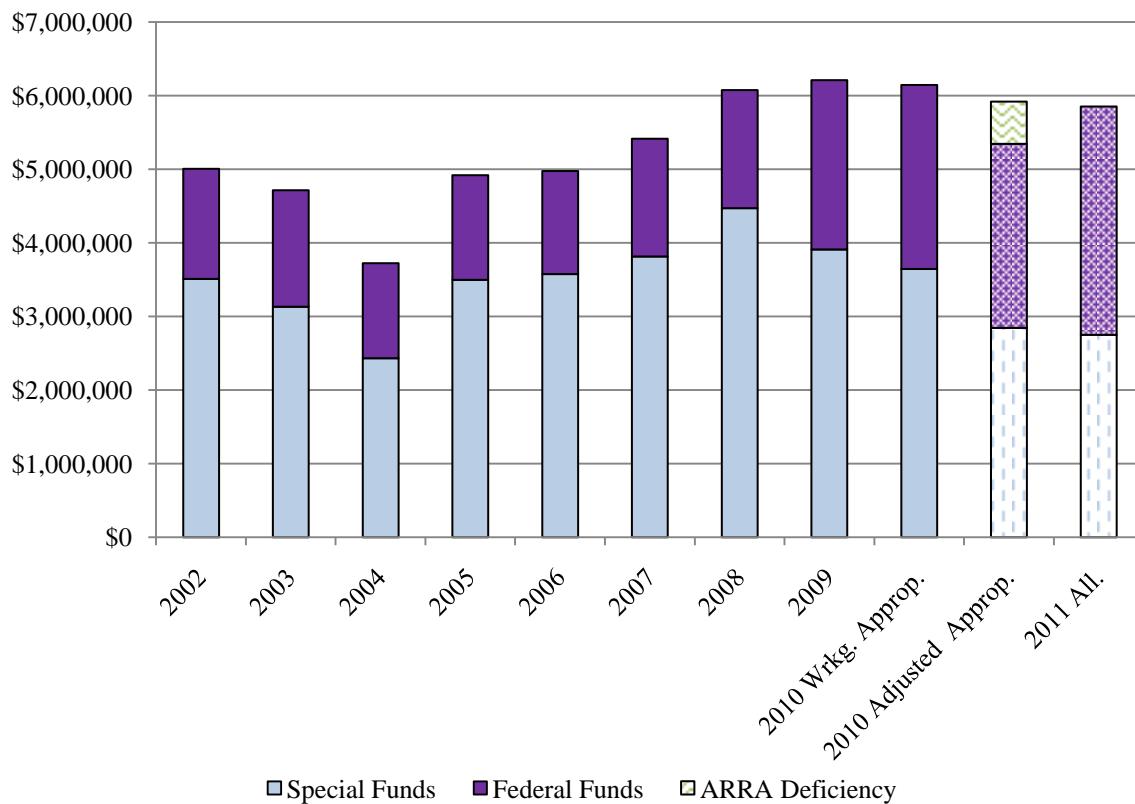
Note: Numbers may not sum to total due to rounding.

Issues

1. State Funding for Crime Victim Compensation

The State portion of funding for grants to victims of crime is generated by the State’s CICF from fees assessed by circuit and District courts. Grants to victims of crime are supplemented by annual federal grant awards, and the amount of the award is based upon 60% of actual State payments to victims of crime for the federal fiscal year two years prior. **Exhibit 3** shows the level of special and federal funding provided to victims of crime since fiscal 2002. The total amount of annual awards has increased by nearly \$2.5 million between fiscal 2004 and 2009.

Exhibit 3
Criminal Injuries Compensation Board
Funding for Awards to Victims of Crime
Fiscal 2001-2011



ARRA: American Recovery and Reinvestment Act of 2009

Source: Department of Public Safety and Correctional Services

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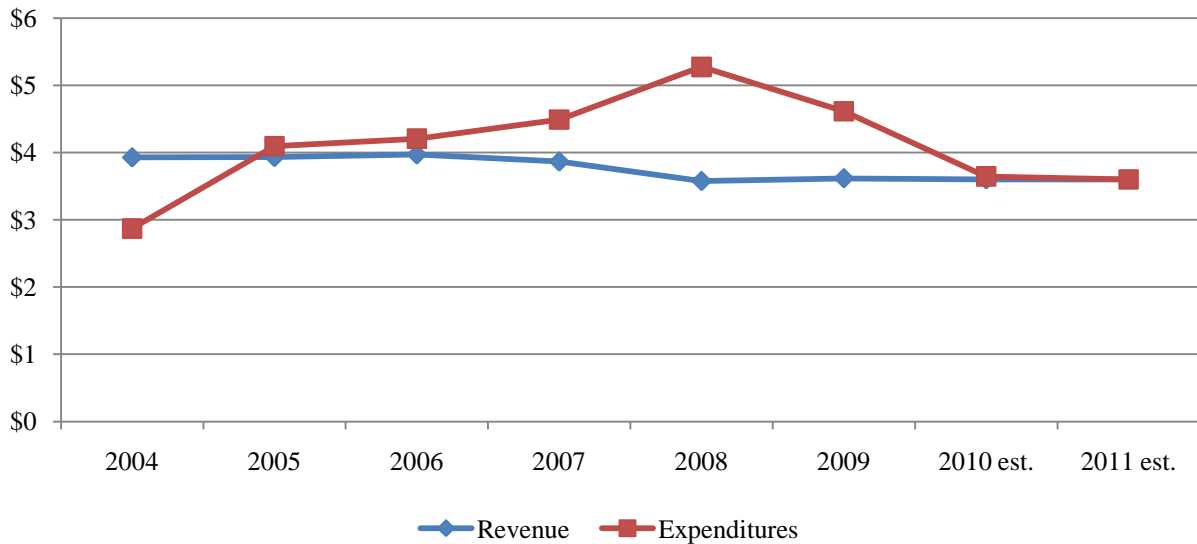
Special fund revenues average approximately \$3.6 million annually and are used to support crime victim compensation as well as CICB operating expenses. A fund balance in excess of \$2.5 million existed in the account since fiscal 2002. As a result of a number of operational improvements between fiscal 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. The special fund appropriation for CICB has exceeded annual revenues since fiscal 2005, as shown in **Exhibit 4**. As of fiscal 2009, the CICF fund balance has been exhausted, as evidenced by **Exhibit 5**.

The fiscal 2010 working appropriation for grants reflects a decrease of \$66,000 over fiscal 2009; however, it is likely that approximately \$800,000 of the special fund appropriation will be cancelled at the end of fiscal 2010 because the current appropriation exceeds available revenue. If the fiscal 2010 ARRA deficiency appropriation is accounted for, the net impact is only a decline of \$229,000, as demonstrated by the fiscal 2010 adjusted appropriation in Exhibit 3. Fiscal 2011 is essentially level-funded.

The increased use of State funds has resulted in additional federal funding. With the drawdown of the CICF fund balance and the resulting decline in State payments, the federal funding will ultimately decline as well. CICB estimates that by fiscal 2013 and each subsequent year, total funding for crime victim compensation will be reduced to \$4.4 million, as opposed to the more than \$6.0 million provided annually for the past two years.

CICB should comment on the likelihood that the number of eligible claims will exceed the available funding and how the board intends to address that situation, so as to ensure that all eligible victims of crime will receive State assistance.

Exhibit 4
Criminal Injuries Compensation Board
Special Fund Revenues vs. Expenditures
Fiscal 2004-2011 Est.
(\$ in Millions)



Source: Department of Public Safety and Correctional Services

Exhibit 5
Criminal Injuries Compensation Fund History
Fiscal 2004-2011 (Est.)

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Ending Balance</u>
2004	\$2,639,979	\$3,927,686	\$2,870,041	\$3,697,624
2005	3,697,624	3,932,704	4,094,097	3,536,231
2006	3,536,231	3,971,085	4,206,830	3,300,486
2007	3,365,633	3,865,730	4,491,378	2,739,986
2008	2,739,986	3,575,277	5,273,185	1,042,078
2009	1,042,078	3,616,609	4,613,741	44,946
2010 est.	44,946	3,600,000	3,644,946	-
2011 est.		3,600,000	3,600,000	-

Source: Department of Public Safety and Correctional Services

Recommended Actions

1. Concur with Governor's allowance.

Current and Prior Year Budgets

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

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2009					
Legislative Appropriation	\$0	\$4,766	\$1,800	\$0	\$6,566
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	0	18	500	0	518
Cost Containment	0	-11	0	0	-11
Reversions and Cancellations	0	-159	0	0	-159
Actual Expenditures	\$0	\$4,614	\$2,300	\$0	\$6,914
Fiscal 2010					
Legislative Appropriation	\$0	\$4,537	\$2,500	\$0	\$7,037
Cost Containment	0	-14	0	0	-14
Budget Amendments	0	0	0	0	0
Working Appropriation	\$0	\$4,523	\$2,500	\$0	\$7,023

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

Fiscal 2009

Special fund spending for fiscal 2009 totaled \$4.6 million, a reduction of approximately \$152,000. The agency had two budget amendments which provided a \$7,000 cost-of-living adjustment and an \$11,000 increase as part of the Annual Salary Review. Cost containment actions reduced the appropriation by approximately \$11,000; these actions included employee furloughs, and reductions to employee health insurance and Other Post Employment Benefit funding. The agency also cancelled approximately \$159,000 in special funds as a result of receiving less court fee revenues than anticipated.

Federal fund expenditures totaled \$2.3 million for fiscal 2009. The agency had one budget amendment for \$500,000 providing additional federal funding to support awards made to victims of crime.

Fiscal 2010

The fiscal 2010 special fund working appropriation is approximately \$4.5 million. Employee furloughs, taken as part of fiscal 2010 cost containment reductions, lessened the legislative appropriation by nearly \$14,000.

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

<u>Object/Fund</u>	<u>FY09 Actual</u>	<u>FY10 Working Appropriation</u>	<u>FY11 Allowance</u>	<u>FY10 - FY11 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	7.00	14.00	14.00	0	0%
02 Contractual	7.05	3.60	1.85	-1.75	-48.6%
Total Positions	14.05	17.60	15.85	-1.75	-9.9%
Objects					
01 Salaries and Wages	\$ 360,699	\$ 659,880	\$ 710,330	\$ 50,450	7.6%
02 Technical and Spec. Fees	246,203	107,429	57,332	-50,097	-46.6%
03 Communication	12,052	16,685	14,300	-2,385	-14.3%
04 Travel	6,231	8,850	2,500	-6,350	-71.8%
08 Contractual Services	26,771	38,850	29,550	-9,300	-23.9%
09 Supplies and Materials	4,358	9,000	9,000	0	0%
11 Equipment – Additional	4,282	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	6,209,517	6,143,698	5,850,000	-293,698	-4.8%
13 Fixed Charges	43,628	38,975	37,180	-1,795	-4.6%
Total Objects	\$ 6,913,741	\$ 7,023,367	\$ 6,710,192	-\$ 313,175	-4.5%
Funds					
03 Special Fund	\$ 4,613,741	\$ 4,523,367	\$ 3,610,192	-\$ 913,175	-20.2%
05 Federal Fund	2,300,000	2,500,000	3,100,000	600,000	24.0%
Total Funds	\$ 6,913,741	\$ 7,023,367	\$ 6,710,192	-\$ 313,175	-4.5%

Note: The fiscal 2010 appropriation does not include deficiencies.